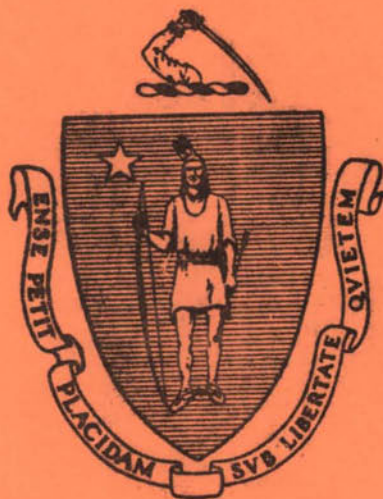


Commonwealth of Massachusetts
Department of Public Welfare

ANNUAL REPORT

Fiscal 1974



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Honorable Francis W. Sargent, Governor of Massachusetts
A. Minter, Commissioner, Department of Public Welfare

Public Document No. 8103. Approved by
Alfred C. Holland, State Purchasing Agent, November 1, 1974

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ANNUAL REPORT

TO: Governor Francis W. Sargent, and Members of the General Court
of the Commonwealth of Massachusetts

Your Excellency; Ladies and Gentlemen:

In accordance with the provisions of Chapter 18 of the General Laws, the Department of Public Welfare is presenting this report of its activities for the period of July 1, 1973 through June 30, 1974. During the past fiscal year, major action was taken at both the Federal and State levels which will have long range impact on Massachusetts welfare programs.

On January 1, 1974, the Department of Public Welfare became involved in a State-Federal partnership in which the categories of Old Age Assistance and Disability Assistance were converted into the new Supplemental Security Income Program (S.S.I) handled by the Social Security Administration. The S.S.I. Program was intended by the Congress to replace the adult assistance programs which existed prior to 1974 and has established the first Federal system of direct income maintenance payments to aged, blind, and disabled persons at a stipulated, national minimum income level. Chapter 1210 of the Massachusetts Acts and Resolves of 1973 provided for State supplementation of Federal payment levels; automatic cost of living increases; automatic Medicaid eligibility; a program of Social Services and Emergency Assistance for S.S.I. recipients.

There are two major financial advantages that accrue to the States under Federal administration of State supplementation. First the Federal government pays 100% of the administrative costs of making State supplementary payments. Also under Federal administration State fiscal liability is, with certain exceptions, limited to the State's share of expenditures for aged, blind, and disabled cash assistance payments in calendar year 1972

A second major conversion effort was necessitated by Federal legislation which mandated termination of the Food Commodity Program as of June 30, 1974, and expansion of the Food Stamp Program from 37 communities to all 351 cities and towns in the Commonwealth by July 1, 1974. Statewide implementation of the Food Stamp Program required the development of recipient eligibility and authorization systems; a network of issuing agents to sell the Stamps; selection of a fiscal intermediary; and training and outreach programming. On May 14, 1974, the Legislature authorized 259 new and transferred staff positions for the Food Stamp Program, and by the end of the fiscal year, all necessary components of the Program were in place. The Food Stamp Program is expected to bring over \$60 million Federal dollars into Massachusetts during its first full year of operations.

GENERAL REPORT

During the year 1911, the work of the Bureau of the Census has been directed towards the completion of the 1910 Census and the preparation of the 1911 Census.

The work of the Bureau has been divided into two main branches, the 1910 Census and the 1911 Census.

The 1910 Census was completed in the month of March, 1911, and the results were published in the form of a report in the month of May, 1911. The 1911 Census is now in progress and the results will be published in the form of a report in the month of May, 1912.

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Two federally-mandated administrative systems were also emphasized during FY'74. The first was the "Separation" of Assistance Payments and Social Service functions, which, after lengthy planning, was fully implemented on September 5, 1974.

The second, the Quality Control/Corrective Action program, ongoing throughout the year, effected significant reductions in payment error rates, though corrective programs were hampered to some extent by the conversion projects mentioned above, and by continuing staffing problems.


In the area of Social Services, State legislation (Chapters 1073, 1076 and 682 of The Acts of 1973) aimed at expanding protective care and services to children, dramatically increased referrals to the Department. The Group Care Unit received twice as many referrals (primarily adolescents who would formerly have gone to the Department of Youth Services) as were experienced last year as a result of the "decriminalization" provisions of Chapter 1073. Likewise, reports of child abuse and neglect have doubled since February, 1974, in response to broadened reporting responsibilities stipulated in Chapter 1076. Also in the Division of Social Services, The project to Reform Foster Care and Adoption completed the review of 5,105 cases, determining a need for services in 3,827 cases. Separate Social Services Policy and Procedures manuals were developed in conjunction with the "Separated" Goal Oriented Social Service model.

During FY'74, the Medical Assistance Division developed regulations of national significance (as mandated in Chapter 118E) governing the sanctioning of medical providers. The sanction procedure enabled the suspension of one hospital, two nursing homes and several Doctors, Dentists and Pharmacists from the Medicaid program, and substantial financial recoveries. Between October 1, 1973 and June 22, 1974, 120 hospitals were enrolled in the CHAMP program, and utilization reviews are now being conducted at a rate of 10,000 cases per month. The Department also contracted with 130 providers, as part of the Early and Periodic Screening, Diagnosis and Treatment program for AFDC children.

During FY'74, AFDC and General Relief caseloads continued to increase as a result of economic conditions, as well as from the new "age of majority" eligibility of 18 year olds for assistance and the transfer of some former and potential Disability Assistance cases from the S.S.I. program to the General Relief program. Expenditures were similarly increases as a result of cost-of-living increases in all categorical assistance programs. Sharp increases in medical assistance costs were engendered by both broadened S.S.I. eligibility criteria and an 18% increase in hospital rates.

A review of this report will give you a better perspective on the broad range of activities that the Department has undertaken in order to improve social and financial services, and to ensure full accountability for expenditures.

Respectfully yours,


STEVEN A. MINTER
Commissioner

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PART I

STATISTICS

The following tables of financial and caseload data for fiscal year 1974 will give a general view of the operations of the Department.

Section A describes the total expenditures from the funds appropriated by the legislature for fiscal year 1974 and includes funds encumbered to cover claims being processed but not paid. The expenditures do not include payments made from the prior years appropriations.

Section B describes the number of cases being served and the year to year changes in the caseload. The most important change in fiscal year 1974 was the transfer of Old Age Assistance and Disability Assistance cases to the federally administered Supplementary Security Income Program for direct payments. However those cases and cases added since the inception of the program on January 1, 1974 still receive their medical care and social services directly through the Massachusetts Department of Public Welfare

Section C describes the total payments for medical care by type of medical provider. All medical payments made in 1974 from 1974 appropriated funds are included but not those made from 1973 appropriated funds. Variations in the year to year changes were highly influenced by the large number of prior years bills paid for in 1974. Such as hospitals and physicians. The distribution of total payments by type was based on a percentage distribution including accounts payable but not encumbered funds, therefore the amounts by individual vendor are estimated rather than actual.

SECTION A

EXPENDITURES OF FUNDS APPROPRIATED - FISCAL 1974

Item No.

4400 - 1000 WELFARE ADMINISTRATION

Permanent Employees	\$42 211 473
Temporary Employees	4 755 564
Consultants - Medical and Professional, Bank Charges - Food Stamp Program Services of Police and Janitors, Travel of Students and Volunteers	966 838
Trucking and Warehouse Costs - Food Distribution Program, Food for Temporary Home for Women and Children	599 399
Housekeeping Supplies and Expenses	40 903
Heat, Light, etc.	347 478
Travel of Employees and Expenses of State Cars	575 000
Advertising and Printing	113 000
Repairs - Office Equipment and State Cars, Alterations, Electrical Work, etc.	128 658
Miscellaneous Expenses - Moving Costs, Staff Training	27 000
Office and Administrative Expenses - Postage, Supplies, Telephone	2 613 307
Furniture, Office Equipment, State Cars	60 000
Rental of Space, EDP Equipment, Xerox, Office Equipment	<u>4 050 491</u>
<u>SUB-TOTAL</u>	\$56 489 111

EXPENDITURES OF FUNDS APPROPRIATED - FISCAL 1974 (Continued)

Item No.

4400 - 1003	Vendor Payment System	\$ 5 430 512
4400 - 1061	Social Services Administrative Unit	664 952
4400 - 1200	Food Stamp Program	177 000
4400 - 1310	Certain Public Social Services	2 958 055
4400 - 2000	Grove Hall Project	598 607
4401 - 1000	Care and Maintenance of Children	27 366 277
4401 - 2000	Tuition and Transportation (Paid to cities and towns for children under care of Department)	1 650 000
4402 - 1000	Care of Totally Disabled Persons (Patients at Tewksbury Hospital)	14 112
4402 - 2000	Care of the Aged (Patients at Tewksbury Hospital)	31 243
4402 - 3000	Medical Assistance and Old Age Assistance (Patients at State Mental Hospitals)	11 998 116
4402 - 5000	Medical Assistance	453 815 442
4402 - 5101	Hospital Admission Surveillance System	1 500 000
4403 - 2000	Aid to Families With Dependent Children	333 648 880
4405 - 2000	Old Age Assistance (Including Prior Years)	60 382 900
4406 - 2000	General Relief	72 054 738
4407 - 2000	Totally and Permanently Disabled Persons	40 654 626
4409 - 3000	Other Forms of Assistance (Cuban Relief, etc.) 100% Federal Reimbursement	1 504 855
	Donated Funds	<u>2 543 426</u>
	<u>SUB-TOTAL</u>	\$1 016 993 742
	<u>GRAND TOTAL</u>	1 073 482 853

/1 Includes \$64,315,443 from account 4402 - 5013 for prior years expense.

/2 Includes \$205,754 from account 4403 - 2002 for prior years expense and \$3,843,220 from 4403 - 2202 for a Cost of Living Increase.

/3 Includes \$82,902 from account 4405 - 2002 for prior years expenses.

- /4 Includes \$429,195 from account 4406 - 2002 for a Cost of Living Increase and \$5,625,545 from account 4406 - 2003 for prior years expenses.
- /5 Includes \$606,922 from account 4407 - 2002 for a Cost of Living Increase and \$47,705 from account 4407 - 2003 for prior years expenses.
- /6 Includes \$333,851 from account 4400 - 1020 for the administration of Donated Funds and \$2,209,575 for Donated Funds programs under Accounts 4403 - 2010, 2020, 2030, 2040, 2050, 2060, 2070.

SECTION B - CASELOADS

AVERAGE MONTHLY CASELOADS
FISCAL YEARS 1973 AND 1974 AND
YEAR TO YEAR PERCENT CHANGE

<u>PROGRAM</u>	<u>1973</u>	<u>1974</u>	<u>PERCENT CHANGE</u>
Aged*	56 557	58 081	+ 2.7
Disabled*	25 252	29 654	+17.4
General Relief	22 681	26860	+18.4
Aid to Families With Dependent Children	83 952	91 738	+ 9.3
Mental Health	2 270	1 882	-17.1
Medical Assistance Only**	71 473	63 016	-11.8
Care and Maintenance of Children	10 784	10 672 p.	- 1.0

* These cases, prior to January 1, 1974 were under the Old Age Assistance and Disability Assistance Programs. At the Present time these cases are assisted by supplementation by the State to the Federal SSI program.

** Eligible - not including children under care of the Division of Children and Family Services or Children and Private Agency Foster Homes.

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SECTION C - MEDICAL COSTS

Estimated Total Payments to Vendors of Medical Care
Massachusetts, Fiscal Years 1973 and 1974

<u>Vendor</u>	<u>1973 Medical Payments</u>	<u>1974 Medical Payments</u>	<u>Year to Year Percent Change</u>
1. General Hospitals/ <u>1</u> Inpatient	\$151 368 195	\$180 085 921	+19.0
2. Licensed Nursing Homes	141 441 407	122 477 790	-13.4
3. Intermediate Care Facilities	42 711 545	48 410 194	+13.3
4. Physicians	24 995 926	36 307 645	+45.3
5. Drugs	29 457 280	25 657 403	-12.9
6. Dentists	21 350 679	23 720 995	-11.1
7. Mental Hospitals	13 349 390	12 586 650	- 5.7
8. Other Licensed Medical Practitioners	7 702 197	8 229 732	+ 6.8
9. Out Patient Depts. and Clinics	22 727 709	16 459 466	-27.6
10. Lab and Radiological Services	1 885 625	1 452 306	-23.0
11. Other Vendors Not Classified	9 703 632	8 713 835	-10.2
12. Total/ <u>2</u>	\$466 693 585	\$484 101 937	+ 3.7

/1 Includes Chronic and Acute except State Mental Hospitals.

/2 Includes payments from the Medical Assistance, Tewksbury Hospital, Mental Health, General Relief and Care and Maintenance of Childrens Accounts and appropriation for Fiscal Year 1974.

PART II

MAJOR CHANGES IN DEPARTMENT POLICIES AND PROCEDURES

During the fiscal year July 1, 1973 through June 30, 1974, the Office of Policies and Procedures worked with the Assistant Commissioners and Directors of the various divisions of the Department in developing or changing policies, procedures, forms, reports, etc., as a response to Federal and State legislation, as well as Departmental determinations of new policy needs. This included the drafting and editing of the following official written material, which was sent to the Office of Human Services Advisory Board, the Secretary of Administration and Finance, Department staff, U.S. Department of Health, Education and Welfare, the Secretary of State, as well as the Office of the Governor. This material highlights the important changes which have taken place, particularly in the AFDC, MA, GR, Child Welfare, Research, Fiscal and Computer programs of the Department.

State Letter 313 - Eligibility Requirements for Emergency Assistance to Needy Families With Children; Disregard of Income for OAA and DA

Transmitted manual pages which incorporate the eligibility requirements for Emergency Assistance to Needy Families with Children into the PA Policy Manual.

Also clarified the disregard of income in OAA and DA.

State Letter 260C - Commodity Distribution Program - Net Income Scale for Non-Public Assistance Households

Transmitted new net income scale for use in determining eligibility for food commodities of non-public assistance households, effective "immediately"

State Letter 314 - Revised Application for AFDC (Form AP-1); Redetermination for AFDC (Form AP-2)

Explained use of new application and redetermination forms for AFDC. The use of the form is to be mandatory and supplanted the use of any other forms for applications, reapplications, and redetermination of eligibility for AFDC effective 8/6/73. Directs the Welfare Service Offices to observe that the forms are to be filled out by the intake worker during a face-to-face interview with the applicant, and not to treat the forms as declaration forms as was sometimes the case in the past. Informs the Welfare Services Offices that the necessity for case recording should be reduced as a result of the use of these forms.

Also discusses Emergency Grants, Verifications, Other Mandatory Procedures, and includes a sample of an application register (AP-1a) which must be used by all Welfare Service Offices as of 8/6/73.

State Letter 313A - State Letter 313 - Eligibility Requirements for Emergency Assistance to Needy Families with Children; Disregard of Income in OAA and DA

Directed Welfare Service Offices to postpone the effective date of State Letter 313 until further notice.

State Letter 315 - Cost of Living Adjustment; Medicare Part B Premium Payment

Informed Welfare Service Offices of a cost of living increase in all categories of assistance. The increase in AFDC, DA and GR cases is retroactive to January 1, 1973, and in OAA cases to May 1, 1973. Described the time schedule by which the increases and the retroactive payments would be included in recipient checks. Informed the Welfare Service Offices of the procedure to be followed when the CDPU could not automatically process the increases, and directed the Welfare Service Offices to file requested information on those cases to the RDCU by September 19, 1973. Directed Welfare Service Offices to verify current assistance payments from the master lists furnished to each Welfare Service Office twice a month by RDCU.

Also stated that the Medicare Part B premium payment continues at \$5.80 a month.

State Letter 316 - AFDC - Initial Needs and Hardship Situations

Transmitted pages for the PA Policy Manual which reflected the following changes in policy material for initial needs and hardship situations in AFDC:

1. Purchase of household equipment and supplies as well as furniture.
2. Provision of food and rental, if necessary in a disaster.
3. Further definition of an eviction from a furnished apartment.
4. Payment of storage costs when they are less than the cost of furniture.
5. Responsibility of the Regional Administrators for emergency shelter.

State Letter 299C - Cuban Refugee Program

Directed WSO's to immediately stop transferring Cuban Refugee cases to other assistance programs as had been directed by State Letter 299B. It also directed WSO's to reinstate to the Cuban Refugee Program as soon as possible those cases which had been transferred to other programs.

State Letter 315A - Medicare Part B Premium Payment, Pen and Ink Change

Changed the monthly Medicare Part B premium payment from \$5.80 to \$6.30 effective 8/13/73.

State Letter 317 - Purchase of Furniture, Household Equipment and Supplies for OAA and DA

Transmitted a manual page which incorporated the standards for purchase of furniture, household equipment and supplies for OAA and DA into the PA Policy Manual.

State Letter 318 - Disability Assistance - Clarification of Eligibility Factor (Homemaking)

Transmitted manual pages which clarified the eligibility factor for DA. Specifically, it stated that the ability to do housework for the purpose of maintaining one's own home does not make a person ineligible for DA.

State Letter 319 - Cost of Living Adjustment for OAA

Increased direct payments in OAA due to a rise in the U.S. Consumer Price Index of 4.1 % for the period from April, 1973 through August, 1973, and was retroactive to October 1, 1973. Transmitted a manual page and a pen and ink change which reflected this increase, and explained how the increase would be processed and sent to recipients.

State Letter 283G - Restoring General Relief Employables to Self-Support Distribution of Checks by Division of Employment Security

Indicates that the Department has agreed to transfer GR recipients to a non-employable status if DES indicated that a recipient is temporarily non-referrable, and transmits a code to be used in this regard.

Also gave instructions for use of Form 8660 and follow-up action.

State Letter 320 - Family Planning Services

Gives guidelines for providing Family Planning Services to certain clients. Enumerates the services to be offered, discusses procedures to be followed by the social worker, and gives eligibility criteria.

State Letter 321 - Increase In Personal Property Due to Accumulated Interest - OAA and DA

Instructed that accumulated interest must be taken into account in determining whether an OAA or DA recipient remains eligible. For example, an OAA or DA recipient who has a savings account which exceeds the \$1,000 limitation must be considered ineligible even if the excess over \$1,000 is clearly attributed to accumulated interest.

State Letter 322 - Disregard of References to OAA and DA In Policy Material

Transmitted a new manual page which obsoleted all references to OAA and DA in the PA Policy Manual and other policy material as of January 1, 1974. This was in line with the transfer of OAA and DA cases to the Supplemental Security Income (SSI) program as of that date.

State Letter 323 - Social Services for Supplemental Security Income Applicants or Recipients

Spelled out referral method between Social Security District Offices and WSO's after the Social Security Administration takes over OAA and DA cases. Listed the services to be provided to SSI recipients and applicants by the Department of Public Welfare as of January 1, 1974.

State Letter 324 - Budgeting of AFDC and GR Cases

Transmitted revised pages for the PA Policy Manual which contained revisions to reflect the changes in AFDC and GR budgeting brought about by the new SSI (Supplemental Security Income) program.

Saate Letter 315 - Cost of Living Adjustment; Medicare Part B Premium Payment

State Letter 325 - Eligibility For General Relief

Transmitted new policy stating that persons under age 65 who are potentially eligible for SSI (Supplemental Security Income) must apply for assistance from SSI before they can become eligible for General Relief.

State Letter 326 - Disaster Assistance Benefits for SSI (Supplemental Security Income) recipients

Transmitted new policy regarding payments that can be made on behalf of SSI recipients in disaster situations.

Included schedules giving the amounts allowed for clothing, food, furniture and household equipment and supplies.

State Letter 327 - Disregard of Income and Resources in AFDC

Transmitted new material for the PA Policy Manual concerning disregard of certain relocation payments, certain loans and grants, and compensation to volunteers in certain Senior Citizen programs.

State Letter 245G - Advance Notice of Reduction, Suspension or Termination of Assistance; Request for Appeal

Transmitted new manual pages which mandated that recipients of financial assistance must receive ten (10) days advance notice of reduction, suspension or termination of their assistance.

Also explained the rights of recipients to appeal and request a fair hearing after reduction, suspension or termination.

State Letter 328 - Adult Social Services For Applicants and Current Recipients of Supplemental Security Income; Application and Service Plan

Transmitted explanations of eligibility determination and redetermination for adult recipients of SSI who are applying to the Department for social services.

Included an Application Form and Social Service Plan as well as other forms.

State Letter 328A - Adult Social Services For Applicants and Current Recipients of Supplemental Security Income

Transmitted further information on Adult Social Services including: confidentiality; re-authorization for non-contracted purchase of Adult Social Services; transfers; terminations and appeals.

Included several forms.

State Letter 329 - Lowering the Age of Majority to 18 Years

Transmitted numerous Pen and Ink Changes to make the PA Manual consistent with State law reducing the age of majority to 18 years.

State Letter 330 - Request for Confirmation of Telephone Approval for Homemaker Services Form; Homemaker Service General Invoice (PA 33H Form)

Transmitted information about the confirmation of approval and monthly billing methods to be initiated between non-contracted Homemaker Agencies and WSO's for homemaker services beginning March 1, 1974.

Included form for Request for Confirmation of Telephone Approval for Homemaker Services, and Form PA 33H, Homemaker Service General Invoice.

State Letter 331 - Burial Expenses for SSI Recipients

Transmitted new policy regarding payments that can be made on behalf of SSI recipients when assistance is required for funeral and burial expenses.

State Letter 332 - AFDC Eligibility - Pregnant Women

Transmitted new policy concerning AFDC for pregnant women. From now on a pregnant woman with no other children, can receive AFDC for herself if otherwise eligible.

State Letter 333 - Age and School Attendance in AFDC

Transmitted revised pages for the Policy Manual which clarified Department policy regarding age and school attendance as factors in eligibility for AFDC.

State Letter 334 - Medical Assistance Eligibility Requirements And Standards for Evaluating Income

Transmitted new MA eligibility requirements and standards for evaluating income made necessary by Social Security amendments of 1972 and 1973.

State Letter 242I - The Work Incentive Program - Refusal to Register or to Participate

Transmitted revised pages to State Letter 242H which clarified Department policy regarding refusal of mandatory referrals to register or participate in the WIN program. Also defined new policy eliminating the need to provide 60 days of counseling to individuals who refuse to register.

State Letter 245H - Advance Notice of Reduction, Suspension or Termination of Assistance; Request for Appeal

Transmitted manual pages which revised the recently transmitted State Letter 245G (which required that recipients be given ten days advance notice of reduction, suspension or termination). Now the policy reads "at least ten days notice" and there are numerous other changes intended to clarify the policy transmitted by 245G.

State Letter 315A - Cost of Living Adjustment - AFDC

Transmitted new pages for the PA Policy Manual which adjusted AFDC assistance grants to reflect a 3.84% increase in the cost of living.

State Letter 335 - Disregard of Income and Resources in AFDC - SSI Benefits

Transmitted a new page for the PA Policy Manual which concerned disregarding benefits received under Supplemental Security Income in determining AFDC assistance grants.

State Letter 336 - Third Party Assignment Procedures

Transmitted revised pages for the PA Policy Manual which specify the procedures to be followed to negotiate a settlement and discharge an assignment in a case where there is legal liability of a third party.

State Letter 337 - Social Security Increase

Transmitted Department policies and procedures concerning the 7% increase in Social Security payments.

State Letter 315D - Cost of Living Adjustment - AFDC (Amendment to S.L. 315B)

Transmitted notice of a cost of living adjustment of 3.84% in the AFDC simplified assistance table transmitted by State Letter 315B

State Letter 338 - Fair Hearings - Right of Appellants to Examine Case Files

Transmitted revised pages for Chapter VI of the PA Policy Manual Concerning fair hearings and the right of appellants to examine case files.

State Letter 338A - Fair Hearings - Right of Appellants to Examine Case Files.

Revised State Letter 338 so that Chapter IV read as Chapter VI. The replacement pages transmitted by State Letter 338 are for Chapter VI, Section C, not Chapter IV, Section C.

State Letter 326A - SSI Recipients - Payment of Moving Expenses

Transmitted additional policies regarding payments that may be made on behalf of SSI recipients in disaster situations.

MA Letter 75 - Special Procedures for Determining Eligibility for Persons Entering or Being Discharged from State Mental Institutions; Payments for Hospital and Related Care for Residents of State Schools for the Retarded

Transmitted new and revised procedures for determining eligibility for public assistance for persons entering or being discharged from State Mental Institutions. Outlined the Department's responsibility for accepting and processing application for public assistance from such persons, and mentions that the Department of Mental Health has assumed certain responsibilities for individuals receiving treatment in State Mental Institutions.

Also clarified the Department's policy concerning payments for hospital and related care for residents of State Schools for the retarded.

MA Letter 76 - Medical Care Plan - Section P - Artificial Limbs, Hearing Aids and Other Rehabilitative Devices; Pen and Ink Revisions

Transmitted a revised fee schedule for Artificial Limbs, Hearing Aids and Other Rehabilitative Devices, for Section P, Part 2 of Chapter VII of the PA Policy Manual.

Also transmitted Pen and Ink Revisions of various rates and other items in Chapter VII.

MA Letter 62G - Medical Care Plan - Fee Schedule for Certified Home Health Agencies

Transmitted a revised fee schedule for Certified Home Health Agencies for Section F, Part 2 of Chapter VII of the PA Policy Manual.

MA Letter 77 - Medical Care Plan - Pen and Ink Revisions

Transmitted Pen and Ink Revisions to Sections D, N, P, Q and Fee Schedule II of Chapter VII of the PA Policy Manual.

MA Letter 78 - Hospital Fee Schedules (In-Patient and Out-Patient)

Transmitted new Hospital Fee Schedules covering both in-patient and out-patient services for Chapter VII. These schedules became Section C, replacing old Fee Schedules II and II-A (except for Page 7 of Schedule II).

MA Letter 79 - Sanctions Against Providers in the Medical Assistance Program

Transmitted new manual pages relative to administrative sanctions against providers of medical care or services for any violation of the rules and regulations governing the Medical Assistance program.

MA Letter 80 - Medical Care Plan - Section B - Physician's Services;
Section C - Acute Hospitalization; Section F - Home Medical Care

Transmitted revised pages for Section B - Physician's Services, Section C - Acute Hospitalization and Section F - Home Medical Care for Chapter VII of the PA Policy Manual.

MA Letter 81 - Medical Care Plan, Section R - Family Planning Services

Transmitted new pages for Section R which incorporated the Family Planning Services into the Medical Care Plan.

MA Letter 62H - Medical Care Plan - Fee Schedule for Certified Home Health Agencies

Transmitted a revised Fee Schedule for Certified Home Health Agencies for Chapter VII of the PA Policy Manual.

MA Letter 82 - Medical Care Plan - Section C - Utilization Review (CHAMP)

Transmitted pages for the Policy Manual containing additions to the CHAMP Certification List of hospitals.

MA Letter 72A - Application of Available Excess Net Income and Surplus Income

Changes the policy concerning medical surplus income cases. Effective immediately upon publication of this letter, an individual or family with surplus income (as defined by this letter) is not to receive a Temporary Eligibility Letter or Medicaid Eligibility Card until they have submitted bills or receipts for medical expenses which equal or exceed their surplus income.

Transmitted a revised Notification Form Letter #8.

MA Letter 83 - Medical Care Plan - Section G - Restorative Services;
Section P - Artificial Limbs, Hearing Aids, Braces and Other Rehabili-
tative Devices

Transmitted a new Fee Schedule for Section G, Restorative Services and a replacement page for Section P, Part 1 of the PA Policy Manual.

MA Letter 84 - Medical Care Plan - Section C - State Mental Health
Hospitals; Pen and Ink Revisions

Transmitted a revised Fee Schedule for State Mental Health Hospitals, as well as pen and ink revisions for Chapter VII.

MA Letter 85 - Medical Care Plan - Pen and Ink Revisions

Transmitted Pen and Ink Revisions to MA Letter 72A and to Sections C, D, and G of Chapter VII of the PA Policy Manual.

MA Letter 86 - New Signature Policy for Certain Medical Facilities

Transmitted a revised PA Policy Manual page and form PA-7a regarding a new signature policy for certain group providers or corporate groups who submit bills to the Department for services rendered.

MA Letter 87 - Medicaid Fee Schedule - Physicians and Dentists

Transmitted information concerning the Medicaid Fee Schedule booklet which replaces the Blue Shield Basic Benefit Schedule for medical, anesthesia, surgical and x-ray services.

MA Letter 88 - Medical Care Plan - Section H - Dental Services; Section I - Vision Care Services and Ophthalmic Materials; Section K- Podiatry Services; Section S - Private Duty Nursing Services

Transmitted new and revised pages for Chapter VII of the PA Policy Manual.

MA Letter 89 - Medical Care Plan - Section C - Utilization Review (CHAMP)

Transmitted a new CHAMP Certification List for Chapter VII.

MA Letter 91 - Medical Care Plan - Section C - Hospitalization; Section D - Clinics and Centers; Section P - Artificial Limbs, Hearing Aids, Braces and Other Rehabilitative Devices

MA Letter 90 - Long Term Care - Temporary Absence from Nursing Homes for Non-Medical Reasons

Transmitted new pages for the Policy Manual concerning the Department's policy towards temporary absences from nursing homes for non-medical reasons.

MA Letter 92 - Medical Care Plan - Section Q - Transportation

Transmitted revised pages for Section Q of the PA Policy Manual.

MA Letter 93 - Medical Assistance for Inpatient Hospital Care for Patients from a State Mental Institution; Medical Assistance for Persons from any Institution Other Than State Mental Institutions

Transmitted material on the Department's policy and application procedure concerning payments for hospital and related care for patients of State Mental Institutions.

Also clarified the Department's application procedure for assistance to persons in any institution other than State Mental Institutions.

MA Letter 62I - Medical Care Plan - Fee Schedule for Certified Home Health Agencies

Transmitted a revised Fee Schedule for Certified Home Health Agencies for Chapter VII of the PA Policy Manual.

MA Letter 94 - Medical Care Plan - Section O - Chronic Renal Disease;
Pen and Ink Revisions

Transmitted new pages for the PA Manual on Chronic Renal Disease, and a Fee Schedule for Kidney dialysis treatment.

Administrators Letter 154Y - Increased Deductible and Coinsurance
Charges - Part A Medicare

Transmitted increases in deductible and coinsurance charges under Part A (Hospital Insurance) of Title XVIII - Medicare. The increases are effective only for a spell of illness beginning in 1974.

Administrators Letter 194 - Morse vs. Goldmark Et Al - Work Related
Expenses in AFDC

Transmitted notice regarding the decree on work-related expenses from the case of Morse vs. Goldmark and directed WSO's to post the notice conspicuously until at least October 1, 1973.

Administrators Letter 154X - Discontinuing Use of Form SSA-1610 for
Determining Medicare Eligibility

Directed WSO's to stop using Form SSA-1610 for the purpose of determining Medicare eligibility.

Administrators Letter 195 - Family Planning Information

Transmitted Form FP-1 which is intended to inform applicants and recipients about the availability of Family Planning Services, and instructed in its use.

Research Letter 42 - SA-1, SA-11 and SA-12 Reports

Obsoleted SA-11 and SA-12 report forms and eliminated certain items on SA-1

Research Letter 43 - Forms SA-1A, SA-1.5, and SA-1.6

Made certain forms effective on March 1, 1974, and obsoleted certain forms.

Research Letter 44 - Renumbering of WIN Case Review Document

Renumbered AP-1 WIN Case Review Document to ER-1.

Unnumbered Letter - 10/18/73 - (1) Screening General Relief Cases for Possible Disability Assistance Eligibility, (2) Redetermining Medical Eligibility for Non-Waived Disability Assistance Cases

Gave list of conditions that might indicate eligibility for Disability Assistance.

Directed that non-waived Disability Assistance cases whose medical re-determination due date is prior to January 1, 1974 must be prepared for submission to the State Medical Review Team.

Unnumbered Letter - 10/26/73 - Instructions for Implementation of CHAMP System of Hospital Utilization Review

Described the CHAMP system of hospital utilization review and its implementation.

Unnumbered Letter - 10/31/73 - Policy Statement on Clothing

Transmitted Policy Statement III-11, which gave the Division of Family and Children's Services policy on clothing for children.

Unnumbered Letter - 3/29/74 - Placement of Children in Group Facilities

Transmitted Policy Statement III-2, which gave the policies and procedures of the Division of Family and Children's Services regarding the placement of children in group facilities.

Unnumbered Letter - 6/5/74 - Attached Proposal to Amend MPAPM, Chapter VI, Section A

Explained proposed material on grievances against social workers and gave Department staff a chance to comment.

Unnumbered Letter - 6/25/74 - Emergency Assistance to Needy Families With Children - State Letter 241

Advised that State Letter 241 has not been obsoleted and is still operative for Emergency Assistance.

PART III

MEDICAL ASSISTANCE

Section A - Medical Assistance - An Overview

The Massachusetts Medical Assistance Program is one of the most comprehensive in the country. In fiscal year, 197 , the Division implemented many new measures to improve its organization and management:

1. Reorganized staff on a purchase of service basis, assigning responsibility for program and provider areas.
2. Finalized computer systems designed to expedite payment and provide information. The computer system enables Medicaid to pay providers more quickly. Currently, there are few complaints about delays in payment from hospitals or neighborhood health centers.
3. Created a provider sanction procedure, which gave strength and credibility to all efforts to bring programs under control.
4. Clarified medical policy and the responsibility for making and processing policy.
5. Activated a "good-will" campaign towards providers, including them to a greater extent in the decision-making process without sacrificing any Medicaid prerogatives.
6. Established closer ties with the Rate Setting Commission, the Department of Public Health, The Department of Education (re:"766"), and other State Agencies, in order to be more effective and to help providers in their dealings with government agencies.
7. Took the lead within State Government in delivering new programs by using the purchasing power of Medicaid, i.e., Family Planning, Health Maintenance Organizations, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), and Free-standing Mental Health Centers.
8. Implemented (Oct. 1, 1973) the Medicaid/Medicare "piggyback" system of payment which eliminates redundant paperwork, eases billing and facilitates faster payments to providers. Up to July 1, 1974, the system processed 364,000 bills, paying Medicare Co-Insurance and deductables.
9. Published a Physicians' Fee Schedule, Effective January 1, 1974.
10. Simplified the Individual Consideration (IC) and Prior Approval (PA) mechanisms.
11. Undertook a systematic rewriting of the Public Assistance Policy Manual, Chapter VII, to be distributed to a wider range of providers, including CHAMP Hospitals.

12. Developed a simply-read explanation of the Medicaid Program to be distributed as a pamphlet to people in the Commonwealth.

13. Initiated a Consumer-Relations Board.

Section B - Provider Sanctions

In the absence of enforcement powers, Medicaid has historically been handicapped in dealing with providers. The right to sanction existed in Chapter 118E, but no regulations existed to implement the right to sanction. In November 1973 regulations governing Medical Sanctions were established. Since that time, the Medicaid Program has:

1. Suspended 2 sub-standard nursing homes
2. Suspended several physicians, dentists, and optometrists from the program
3. Suspended several pharmacists from the program
4. Suspended a hospital from the program
5. Worked with Bureau of Welfare Audit on many of the above

These actions, some of which have national significance, have had the following results:

1. The recovery of substantial amounts of money, including over \$200,000 from one pharmacy and \$40,000 from a hospital.
2. A heightened awareness of and conformity to program regulations, and an increased sense of accountability on the part of providers.

Energetic and judicious use of the new sanction powers will assure the financial and programmatic integrity of the Medicaid Program.

Section C - Relationship to Project Management Office

1. The Dental Program

In February 1974, the Project Management Office negotiated a contract with Pilgrim Health Applications, Inc., to process bills for dental services rendered on or after March 15, 1974.

With the assistance of the Department's Dental Advisors and Dr. William Wellock of the Department of Public Health, program instructions were defined for PHA. Each procedure code was referenced for prior approval, age, tooth number, tooth surfaces, and frequency of service constraints.

By July 1, 1974 the first billing profiles were supplied to the Department. It is expected that PHA data will enable more meaningful analysis of the dental program during fiscal '75.

2. Centralized and Regional Review of Prior Approval and Individual Consideration (I.C.) Cases.

Upon the removal of manual edits of Medicaid bills by Welfare Service Office clerks, new procedures were developed between Medical Division

and Medical Claims Control Center. All bills with fees claimed as I.C. require peer or central office review. The basic model was designed, and implementation began in June 1974.

Similarly, it was decided that medical goods and services requiring prior approval should be submitted directly by the provider to the medical division. A new standard form (MA-11) was designed to meet the needs of the program. Implementation of the new prior approval procedure is targeted for September 1974.

Section D - Disability Assistance: The S.S.I. Program

During the second half of 1973, the Department prioritized the Medicaid enrollment of all potential applicants for Disability Assistance prior to the SSI take-over on January 1, 1974. Four additional physicians and four DA evaluators were hired to review cases submitted to State Medical Review Team (SMRT), and SMRT activity approximately doubled to meet the new medical certifications. "Roll Back" cases (applicants filing for DA between July 1, 1973 and December 1, 1973) have continued to be submitted to SMRT, though in steadily decreasing numbers. Most of the cases which are still pending involve problems with the provision of necessary documentation. Three physicians and two DA evaluators remain active for medical certification of Medicaid applicants who are not financially eligible for SSI.

Medical Review Team members were required to apply new Federal Social Security Standards of disability when reviewing 1974 applicants. With guidance from Social Security's Disability Determination Unit, the team members were trained in the Federal standards. On January 1, 1974, major changes in Medicaid (MA) eligibility went into effect. Policy was drafted to bring the State Plan and the Public Assistance Policy Manual into conformity with the provisions specified in PL 92-603.

Section E - The Long Term Care Program

During fiscal year, 1974, many changes were made in administration, policy, and billing for the Long Term Care Unit. The Commonwealth Hospitals Admissions Monitoring Program (CHAMP), has enabled a close monitoring of facilities, with regard to placement, appropriateness of treatment and length of stay.

In the past year, Medicaid has removed patients from four substandard nursing homes and has exerted Department pressure to bring another six nursing homes up to Public Health standards. The Medical Assistance Division has also co-ordinated policies concerning inspection, certification and removal of patients with the Department of Public Health.

A new "furlough" policy, which grants reimbursement to long term care facilities when patients must be treated at an acute hospital or want to spend time with their families or friends, led to an agreement with the Federal Government concerning reimbursement for and holding of long term care facility beds.

In order to permit continued placement of Welfare patients in rest homes, the Department established policy concerning vendor payments to rest homes following the Federal take over of cash payments under the S.S.I. program.

Medicaid and the Department of Public Health worked together to revise the patient classification system and assessment forms used in the long term care information system and for periodic review of Medicaid patients. Department inspectors visited facilities which had gone for long periods without Department of Public Health inspections and facilities in which action to correct deficiencies were delayed. The Department of Public Welfare, in conjunction with the Departments of Public Health and Safety, completed life safety code inspection of skilled facilities and began inspections of intermediate facilities.

The Department also worked with the Women's Educational and Industrial Union to draft a new publication which analysed all long term care facilities in the State. This publication contains information about languages spoken in the facilities, types of patients, number of beds, setting and much more.

The Department, in co-operation with the Bureau of Welfare Auditing recovered payments in excess of Medicaid rates made to a provider nursing home.

Section F - The Hospital Program

HEW criticism of the Commonwealth's reimbursement formula led to changes in the Rate Setting's Commission's method of computing hospital rates. The new system, approved in December 1973 by HEW, is based on a prospective cost reimbursement formula. By April 1, 1974 the RSC has established new rates on a per diem basis, rather than one of costs/charges formula.

New rates will again be set as of October, 1974 in accordance with the annual review of hospital costs. Two changes in hospital rates in one fiscal year have increased costs by at least 18% in 6 months. Pressure from two major areas, salaries and heating oil, are expected to push hospital rates higher by similar percentages.

At the end of FY'74, a decision was made to distribute and maintain Medical Assistance Policy Manuals for each hospital within the Commonwealth. Each Director of Social Service and Business Office Manager will receive a manual as well as any updating material that is distributed to Department staff.

Perhaps the most significant innovation has been the establishment of a utilization review program in each acute care hospital within the Commonwealth. Under a contract with the Department, the Commonwealth Institute of Medicine has placed coordinators in hospitals where length of stay is established by diagnosis according to a standard length-of-stay acceptable to the professions involved.

Commonwealth Hospital Admission Monitoring Program (CHAMP)

CHAMP performs the necessary task of providing data to the Department about patients' treatments, length of stay, and placement in nursing homes subsequent to their hospitalization.

Between October 1, 1973 and June 22, 1974, approximately 120 hospitals became part of the Commonwealth Hospital Admission Monitoring Program. A total of 50,000 patients' cases were reviewed by the end of fiscal year, 1974. Presently the CHAMP system is reviewing about 10,000 cases each month.

At the end of the fiscal year, the Department, in co-operation with CHAMP, instituted a new policy concerning the reserving of nursing home beds up to ten days depending on the patient's expected length of hospital stay.

Section G - Mental Health Services

During the past fiscal year, mental health services were expanded as a response to both new Federal legislation concerning deinstitutionalization, and state-wide concern about mental health. The Medical Assistance Division certified approximately thirty-five free-standing mental health centers, to provide a non-institutional treatment option for eligible Massachusetts persons. Ambulatory units allow persons who were formally residents of State institutions, as well as those who are having difficulty dealing with their day-to-day lives, to become and remain integrated into the community without suffering the stigma of institutionalization while receiving care. A substantial amount of the treatment provided by free-standing mental health centers is short-term therapy for children, adolescents, adults, and for families in distress.

In addition to the certification of free-standing mental health centers, Medicaid is involved in pediatric care for the multiple handicapped child. The type of care provided may be long or short-term and is designed to help both the physically and mentally handicapped child to deal with problems which may arise as a result of illness. The cost of running such nursing home services is considerably less than that of hospitalization and treatment is individually developed according to each child's needs and potentials.

One option in recent Federal legislation (HRI) regarding inpatient services in the State Schools for the retarded, covers those persons living in buildings which meet the standards for Intermediate Care Facilities. This option, accepted by Massachusetts in fiscal year, 1974, will enable 100% Federal funds to cover the increased costs of care to certified buildings of the State Schools upon State maintenance of those Schools at a level of expenditure designated by Federal legislation. This increase in Federal reimbursement will enable State Schools to develop individual plans of care for residents and to hire appropriate staff to carry out the treatment.

A second option in recent Federal legislation (HRI) has also been accepted by the State. This plan will enable Medicaid to pay for psychiatric inpatient services for eligible persons under twenty-one years of age who are receiving treatment in public and private psychiatric hospitals. Again, Medicaid must maintain a certain level of expenditure for these services according to a Federal formula, but will receive 100% reimbursement of increased costs.

In the past year, revisions were made in the Conditions of Participation Guidelines for psychiatric clinics. A new condition of participation for psychiatric day and evening treatment programs is being developed which will regulate Medicaid reimbursement for such clinical and out-patient services. Reimbursement for these services will allow more people needing mental health treatment who do not need twenty-four hour care to live in a community rather than in an institution.

Section H - The Pharmacy Unit

Through the purchase of computerized services, pharmacists are now being paid within 30 days of submission of bills. In addition, the system is providing information useful in the control of use or abuse of the Medicaid Pharmacy Program.

In fiscal year, 1973, a completely new Durable Goods and Medical Supply List was compiled including both legend and non-legend drugs, procedure codes, and an upgrading system of prices. This revision of the old list further classified drugs, and in establishing procedure codes for most drugs, eliminated the need for a great deal of manual prescription-checking by the Pharmacy Unit.

In the works now are Conditions of Participation (rules and regulations) for Pharmacists, which will define more clearly the vendor's rights and obligations under the Medicaid Program. These Conditions, together with the establishment of standards for participating vendors, should result in a higher grade of medical care for eligible Massachusetts recipients. In addition, a new process of prior approval is being developed, to take effect upon reorganization of local Welfare Services Offices.

Section I - Ambulatory Care

Ambulatory care is frequently the gateway to more expensive forms of care. Therefore, the ambulatory system plays a crucial role in providing alternatives to institutionalization.

This fiscal year was spent in arranging the ambulatory care department into program areas and rewriting appropriate Medical Care Plan Policy. Several Task Forces were created to ascertain effects of policy changes on home health care, day care for the elderly and disabled, restorative services, family planning services, transportation services, laboratory services, and nurse-practitioners services. These innovations have laid the groundwork for major revisions in policies in those areas; revisions which will come into effect before the end of the calendar year.

As a parallel to the policy changes, the ambulatory care unit has initiated a series of regional sessions explaining billing procedures, medical policy, and covered services under the Medicaid program. The first ses-

sion was directed to physician providers but all provider types will be included in future sessions.

The Medicaid programs coverage of Dental, Physician, Podiatry, Optometry and Chiropractic services remains one of the most comprehensive in the country. Increases in the physician's fee schedule were published January 1, 1974 in a separate yellow book, to reflect the Rate Setting Regulations governing fees.

Transportation

This past fiscal year, a revision of Transportation Policy has been initiated which expands the list of services reimbursed and the methods Medicaid-eligible persons can use to obtain necessary medical care. In this revised policy, a physician may prescribe the use of transportation services (taxi or ambulance) just as he/she does a drug or prosthesis for the patient, thus eliminating the need for a prior approval by the local office, and facilitating service to the person who requires care.

Family Planning

As of 7/1/73 both the policy and staff of the Family Planning Unit have expanded. A list of Certified Family Planning Agencies has been added to the Massachusetts Public Assistance Policy Manual and price changes have been made in the Fee Schedule for Family Planning Agencies to reflect new Rate Setting Commission Regulations.

In process presently, is a revision of the Conditions of Participation for Family Planning Services, which further defines the obligations and regulations of both agencies and private practitioners providing family planning services.

Laboratory Services

The Laboratory Services Unit is currently working on enlarging its list of reimbursable tests and assigning procedure codes to this new, more detailed list. This revision will enable providers to bill for a number of tests which were previously I.C. items. The list of Certified Independent Laboratories was revised, effective 7/74, to include many more laboratories in different locations throughout Massachusetts.

The policy regarding physicians who send their specimens to uncertified vendors is being revised. With the initiation of this policy, a physician must send his specimens to certified laboratories for testing. Medicaid will pay the laboratory directly. The physician can no longer send his specimens to uncertified laboratories and expect reimbursement through the use of his own vendor number. In conjunction with Dr. Madoff, of the Department of Public Health, a quality control system is monitoring the accuracy of laboratory tests.

Section J - Health Maintenance Organizations (HMO's)

The role of Health Maintenance Organizations in relation to Medicaid has changed during the last fiscal year. The Harvard Community Health Plan is now providing services in the Cambridge area in addition to their Parker Hill and Kenmore Square locations. Medicaid is also entering into negotiations with Health Maintenance Organizations in Cape Ann and Athol. No contracts have yet been signed in these two areas.

Within the Harvard Community Health Plan, improved management of the enrollment and termination procedures has led to easier dealings with the program in general. In addition, special Medicaid cards have been issued which state that enrolled members must receive care only at HCHP.

The new Federal Health Maintenance Organization Act has generated much HMO activity. The HMO staff in the division has been involved in monitoring the activity and in assisting potential HMO groups in planning for possible Medicaid enrollment.

The Health Maintenance Organization program director and staff are actively involved in the EOHS Task Force which is working toward setting state HMO policy and drafting HMO enabling legislation. The director and staff have also developed guidelines for Medicaid participation, and reporting requirements. In addition, the HMO director and staff have convened meetings with all potential and present HMO groups to explain reimbursement, eligibility and resources.

Medicaid has, finally, been involved with The Harvard Community Health Plan and the Department of Health, Education and Welfare in a co-operative effort to design two studies which will determine the efficiency of the Health Maintenance Organization mode of delivery with respect to costs, utilization patterns and consumer satisfaction.

Section K - Early and Periodic Screening, Diagnosis and Treatment (EPSDT)

The EPSDT program is designed to assure quality pediatric care for each child on Welfare. In an average month in FY'74 the Welfare Department carried 91,738 AFDC cases comprised of 318,000 individuals under twenty-one years of age and medical expenditures of approximately \$7,000,000. On the average, in FY'74 Medicaid purchases approximately \$22.00 worth of comprehensive medical services per child each month. The Massachusetts EPSDT program is much more comprehensive than the Federal requirements for Early and Periodic Screening, Diagnosis and Treatment.

The EPSDT providers in the Medicaid program are private pediatricians and family practitioners, neighborhood health centers and those hospitals and out-patient departments which are designed to perform routine primary care.

The Department of Public Welfare has formulated a State plan which calls for the Department to enter into contractual agreement with providers who are already performing comprehensive health care services within the scope of their regular practices. Health Centers, some hospital out-patient departments and pediatricians are organized to provide primary care, referral and follow-up to their users. In such settings, the vital components of quality care:

1. Continuity of care in services and in health.
2. Personalized care, and
3. Responsibility of the provider to move a child through the system; as well as to ensure that the services listed in the EPSDT guidelines are all being met.

Activities:

The following is an outline of the activities which have taken place in response to the Massachusetts EPSDT philosophy and plan:

1. Negotiating contracts with neighborhood health centers
2. Working jointly with the Mass. Chapter of the American Academy of Pediatrics to;
 - a) develop EPSDT standards and protocol of services
 - b) encourage private pediatricians to deliver EPSDT within the scope of their usual practice.
3. Working with Massachusetts Head Start Program
4. Investigating the possibility of using hospitals for;
 - a) innovative uses of out-patient departments to perform EPSDT
 - b) pilot programs designed to investigate the possibility of gathering data on Medicaid new-borns.
5. Using the Mass. Department of Public Health as a resource and out-reach mechanism for;
 - a) Handicapped Children's Program
 - b) Local Boards of Health
 - c) Laboratories
6. Public Relations/outreach

As of February, 1974, twenty health centers throughout the State have contracted with the Department of Public Welfare to provide EPSDT services within the scope of their usual activities. By the middle of March, 1974, partly in response to meetings between the Welfare Department and the Massachusetts Chapter of the American Academy of Pediatricians, fifty pediatricians, geographically located throughout the State, had contracted with the Department of Public Welfare to provide EPSDT services.

During fiscal year, 1974, the Office of Child Development (OCD), in close collaboration with the Social and Rehabilitation Service (SRS)-Medical Services Administration (MSA) plans to launch a major effort in approximately 200 head Start Programs to assist in making Medicaid EPSDT services available to Medicaid eligible children between ages 0-6. The goals and objectives of the health services component of both Head Start and Medicaid EPSDT focus on prevention, identification and treatment of illness, and linkage of the child and the family to an on-going comprehensive health care system.

EPSDT services are currently being delivered in the OPD/Clinic of one Boston hospital and negotiations are in effect with two other hospitals. A pilot effort to screen children at birth is being considered in one area hospital.

The Department met with the Department of Health's Division of Medical Care for the mentally retarded in order to, first, inform the DPH of Medicaid's responsibility in the area of ensuring to each child on Welfare a source of routine quality health care, and second, to explore the possibility of using the State schools as an outreach mechanism to those Medicaid eligible children with special needs.

The Department also enlisted the D.P.H. Deputy Commissioner's aid to bring EPSDT to the attention of all the local boards of Health throughout the Commonwealth and to ask the local boards to help the Welfare Department in three areas:

1. case-finding
2. provider recruitment
3. defining community and individual needs.

A letter, on DPH letterhead, requesting this assistance, was distributed to all local boards.

Public relations and outreach about EPSDT is being directed to three areas: providers of comprehensive health care, Welfare Social Service staff, and clients. To inform families about the availability of EPSDT services, the Department has used the following mechanisms:

1. a bi-lingual announcement, indicating the availability and encouraging the use of comprehensive health care to and by all children receiving Medicaid was distributed in the March, 1974 mailing of all AFDC checks;
2. contact with Social Service personnel at the time of in-take or re-determination of eligibility;
3. press releases;
4. section in a planned public relations Medicaid brochure directed to Medicaid clients; the excerpt explains what EPSDT is and encourages the use of preventative care;

In the planning stages is another mail-out which announces in several languages the availability of preventative and comprehensive services. Medicaid also plans newspaper coverage and public service spots on radio and television, in a further attempt to spur recipient awareness and interest in preventative health care.

PART IV

SOCIAL SERVICES

Section A - Overview: Goal Oriented Social Services (GOSS)

The imminence of the administrative reorganization separating social services from assistance payments brought to an end the intensive planning efforts directed toward this purpose.

Integral to the "Separated" social service model is the goal oriented approach to delivering services. Briefly, this method allows workers and clients to determine the specific goals toward which they will direct their efforts and against which they will assess the effectiveness of services provided.

This format has broad application for all social service programs. An assessment of goals and objectives will apply not only to the provision of existing services, but in the development and expansion of others as well.

The progress of the project to reform foster care and adoption illustrates the effectiveness of the goal oriented approach. Individual recommendations resulted in specific responses. Preventive services were identified as a measure for keeping children within their natural homes. To that end, purchase of service agreements were developed in the areas of day care, protective services, homemaker services, family counseling, and others.

Administrative and programmatic accountability has been and will continue to be emphasized in all aspects of social services. A cost allocation system has been developed to ensure that the maximum amount of federal reimbursement is obtained. Negotiations for a foundation grant are in progress to establish a child care information system. A new position within the Office of Social Services was created for administration to lodge key responsibility for the budgetary process.

These are merely highlights of a comprehensive and continuous strategy to forecast the service needs of clients and adequately fulfill them.

Section B - Regional Social Services

Social Services are provided throughout the State through Community Service Area Offices. The Associate Regional Administrator for Social Services in each region has overall responsibility for directing and coordinating the administration of the Department's Social Service programs within the regions. Child Welfare Services, specifically adoption and foster care, remain the largest regional direct service area. The Department has increased its purchase of service contracts with private agencies through various federally funded sources to maintain a greater number of children in their natural homes.

A case review of 5105 children's cases in foster home care revealed the following:

- 711 children are to be returned to their natural parents, but are to continue to receive casework services;
- 655 children are to be discharged;
- 1155 children are to be referred for adoption planning, (591 of these children for foster home adoption);
- 195 children are to be referred for group placement;
- 192 children are in short-term (six months or less) foster care;
- 1839 children are in long-term foster care due to the following reasons or combinations of reasons:
 - 1099 - age

695 - emotional

224 - medical

609 - other

In the vast majority of cases (3,877), it was determined that casework services were needed to obtain the service goal. Educational resources were considered necessary in 1074 of the cases, medical resources in 638 of the cases; Day Care, Homemaker and other services were considered necessary in 390 cases.

Social Welfare Legislation (Chapters 766, 1076, and 1073) is directed toward working with children in their own homes and communities whenever possible. The Department can expect an increase in referrals from the above legislation, as well as Chapter 682, which provides for a temporary shelter care program for runaway children.

Section C - Adoption Placement Unit

The Adoption Placement Unit has continued to receive referrals from the Regional Offices of predominately older children with many emotional handicaps. The emphasis on placing these children dominates recruitment efforts. Attempts to decentralize the Adoption Unit include group meetings held in various locations throughout the state.

Legal issues persist in impeding the adoption process. During the past year, many of the children referred were delayed for adoption due to the necessity of filing Chapter 210 petitions, which terminate parental rights to care for their children. Although they have been scheduled regularly for court, the large number of contested cases has been a problem for both the adoption and legal staff. Prior to this year, adoption workers were not involved in the Chapter 210 actions. However, workers are now required to attend the court sessions. The Regional Offices are attempting to expedite the process to terminate parental rights and help release the children for adoption where appropriate.

A significant development has been the dramatic increase of foster home adoptions. Over 500 children have been legally adopted over the past year. An additional 315 children have been placed into homes for potential adoption. Eighty percent of the children placed have been over six years of age.

The number of independent adoption petitions has increased in the last fiscal year. Currently three workers are assigned to this function, but growth in the number of petitioners who are not receiving children legally have made their task more difficult. In the coming year, the Department hopes to become more involved with the problem of illegal placements and make a greater attempt to prevent them.

1. Adoption Subsidy Program

The Adoption Subsidy Program provides financial support to families who are willing to adopt older or hard to place children with physical or emotional handicaps requiring costly attention.

Increased adoptive placements of older children and adoptions by foster parents account for the expanded number of families receiving subsidy payments. In the last fiscal year, 75 applications for subsidies were processed and approved. These applicants will receive payments when the child is legally adopted. Another 75 families are presently participating in the program and that number will double by the end of the calendar year.

Section D - Family Planning Services

During FY 1974, family planning activity focused on the implementation of requirements imposed by Congressional Legislation. The Department issued revised Family Planning policy which clarified the coverage of services available under both Title IV-A (Social Services) and Title XIX (Medicaid).

The Rate Setting Commission approved rates for comprehensive family planning services which allowed both Title IV-A and Title XIX to be used as a means of expanding available services. The 90% reimbursement rate authorized by law extended to current recipients eligible under Medicaid and former and potential recipients of public assistance eligible under social services.

Title IV-A funding for fiscal year 1974 enabled the Department to provide services to about 13,000 former and potential recipients.

In addition to making direct services available, the Department was required under the same federal legislation (PL 92-603) to implement effective informational and out-reach activities.

To meet this requirement, orientation for all staff was provided by family planning agencies with whom the Department purchases services in order to facilitate referrals. Attention was also given to specialized service units such as Group Care and Adoption as well as administrative and training unit staff.

Training materials were purchased and arrangements were made with the Department of Public Health to make available their Resource Listing to all Department staff members.

In addition, informational materials were prepared to inform recipients of the availability of family planning. These materials were also made available at the local welfare service offices for distribution to other interested persons. The Department's involvement in coordinating services on a state-wide level which participating with other organizations in planning for more efficient delivery of services is continuing.

Section E - Group Care Unit

With the enactment of Chapter 1073 (regarding children in need of services) many adolescents who would otherwise have been referred for service through the Youth Services Department were referred to the Group Care Unit.

Referrals have doubled from 40 or 50 each month to 80 or 90, placing a strain on the intake procedures of the Unit. Correspondingly, the number of facilities that workers must cover has also increased. The number of referrals for the last quarter of fiscal year 1974 has increased sixty-five percent from the same quarter the previous year. Over 1600 children were placed in facilities during the past year.

Direct contact with the Massachusetts Rate Setting Commission and the evaluation of many new programs allowed the Unit to approve approximately thirty new facilities which include group homes and residential treatment centers.

Although the Unit has regularly evaluated its facilities, staff members were not satisfied with the depth and quality of these evaluations. To solve this problem, an evaluation team was formed, and workers received advanced training in standards for group placements.

The combination of increased referrals and placements as well as the need for more complete evaluations of placements served as a catalyst for reassessing the Unit's purpose and function.

Section F - Homefinding Unit

The Central Office Homefinding Unit coordinates, directs and consults with statewide Regional Office Homefinding Units. The Central Office Unit also functions as the liaison between the Department and the Massachusetts Foster Parents Association. The responsibility for recruitment of foster homes has been expanded to the Regional Office level.

Pre-service training sessions, regional review committees, ongoing education for foster parents, and liability insurance are all new trends in the relationship between the agency and foster parents.

In June 1974, guidelines required all regions to conduct pre-service training sessions for prospective foster partens. These group sessions will hopefully prove to be effective in diminishing the misconceptions of foster care.

In early spring, a committee composed of Department staff and foster parents was established to revise the Regional Review Committee guidelines, a method of grievance for foster parents and social workers. A Workshop focusing on the new guidelines will be offered at the next Massachusetts Foster Parents Annual Conference.

Liability Insurance, to be paid for by the Department, is being investigated to protect foster parents against damage incurred by foster children or from legal expenses incurred by lawsuits regarding the care of children in their home.

The implementation of increased foster care board rates and new payment system will not only provide a more equitable payment level for foster parents but facilitate fiscal prodecures as well.

Section G - Group Services Unit

This unit continues to provide consultation to staff who organize group sessions with AFDC mothers and Spanish-speaking recipients in the areas of family planning, housing services, legal services, employment, child development, and educational services. Each group focuses on specific goals designed to encourage maximum utilization of available resources.

The Director of Homefinding and Recruitment of foster homes has requested pre-service training sessions for all prospective foster parents. These sessions will provide the mechanism for homefinding staff to coordinate initial orientation and training activities when evaluating and approving foster parents. Pre-service sessions were adapted for foster parents following successful results by the Adoption Unit.

Section H - Homemaker Services Program

The Department provides homemaker services to AFDC families and to the elderly and disabled who are recipients of or applicants for the Supplemental Security Income Program (SSI). The Department continues to furnish homemaker services to the elderly and disabled despite the conversion of these categories to the federal SSI program.

Homemaker services are offered directly by the Department's homemaker staff, or purchased by the Department from local voluntary and proprietary homemaker agencies and from Home Care Corporations.

During 1974, legislation was enacted which mandated the Department of Public Welfare to establish a Board of Accreditation of Homemaker Services. The Commonwealth will be the first State in the nation to accredit homemaker agencies. The Board will develop standards and procedures of service structure, operation, and accountability for homemaker agencies and regulate the provision of services throughout the Commonwealth.

Section I - Manpower Services Unit

During FY 1974, manpower services have continued to be provided primarily through the Work Incentive Program (WIN) and the joint Massachusetts Commission - Welfare Department Expansion Project efforts.

1. Work Incentive Program

The Department of Public Welfare (DPW) and the Division of Employment Security (DES) continued, during FY'74 to implement the provisions of the 1971 Amendment to the Social Security Act. the so called Talmadge Amendment. The Amendment, coupled with Federal Regulations which specify the way in which the provisions of the Act are to be carried out, created an enormously complex and administratively cumbersome program. In addition, the Welfare Department did not have the necessary staff to properly implement the program. Despite these constraints progress was made during the past fiscal year.

The increased success of the WIN program reflects a successful collaboration of staff between this Department and DES. During the past year, 5,073 AFDC recipients became employed as a result of services provided by the WIN program. Welfare savings, during this period totaled \$6,642,548.88.

The intent of the Talmadge Amendment was the placement of as many AFDC recipients as possible in full-time employment. The Amendment therefore requires that 33 1/3% of DES/WIN funds are spent on On-the-Job Training and Public Service Employment. To ensure that this part of the Amendment was carried out, a freeze was instituted on funds for classroom training in February of 1974 and remained in effect until the end of the fiscal year. Consequently, more individuals were placed in full-time employment. However, individuals in need of classroom training such as basic education and General Education Development (GED) preparation, were not able to obtain it, through the WIN program.

In the coming year, the Department of Public Welfare will establish Separate Administrative Units (SAU's) at the local office level. Staff within the SAU's will, in many instances, be co-located with DES/WIN staff. SAU staff will concentrate on delivering supportive services to WIN participants. Additionally they will participate in the development of the employment plan. It is anticipated that this arrangement will enable the program to make significant progress during FY 1974.

2. Massachusetts Rehabilitation Commission/Welfare Project

During FY'74, ten new sites were added to the original nine as a result of the increased demand for rehabilitation services to disabled Public Assistance recipients. The team approach to service delivery to the disabled welfare recipient has demonstrated the effectiveness of interagency cooperation. Although Project services may only be provided to AFDC recipients, service delivery methods developed by the Project can serve as a model for service delivery for individuals receiving other categories of Public Assistance.

One-fifth of MRC's total caseload is composed of Public Assistance recipients, and MRC plans to outreach to greater numbers in the coming fiscal year. The Interagency Agreement between the DPW and the MRC testified to the future commitment both agencies have in unifying services to the disabled welfare client.

Program Activity Data FY 1974

MRC-Welfare Expansion Project

Total number of referrals to MRC.....	1,900
Total rehabilitated and/or employed.....	284
Total number served.....	1,633

Public Assistance population (all categories)

Total number of referrals to MRC.....	4,233
Total rehabilitated and/or employed.....	1,229
Total number served.....	6,051

MRC has initiated a new system of Management by Objectives which identifies specific rehabilitation goals for a one-year period. MRC is moving towards counseling specialties for various client groups including the welfare population. For FY'75 the main priority is directed towards the severely disabled, primarily individuals with spinal-cord injuries.

Despite the fact that Project funds will be terminated in the coming year, both agencies have expressed a continued commitment towards rehabilitating the welfare population via the Interagency Agreement. The separated welfare system will contain social workers concerned with channeling referrals and handling supportive services involving mutual MRC/DPW clients.

Section J - The Housing Unit

This year the Housing Unit was able to make a significant contribution in a number of special circumstances which directly affected the housing conditions of recipients of public assistance.

In October 1973, a massive relief effort was initiated in Chelsea to assist families left homeless by a fire which destroyed a substantial area of that city. The Greater Boston Housing Specialist, later appointed as the Mayor's Housing Coordinator, was instrumental in organizing a systematic approach to the relocation problem. A Housing Committee was established to organize resources, conduct information and referral activities, and provide housing alternatives for 150 homeless families.

At a time of diminishing federal financial support for public housing, other solutions to the public housing financial crisis are being sought. Proposed federal legislation threatened to eliminate the Brooke Amendment formula for determining rents in public housing thereby forcing recipients of public assistance to pay disproportionate amounts of their income for rent. The Housing Unit worked with other agencies in a successful effort to retain the Brooke Amendment. Massachusetts recipients living in Federal Public Housing are protected from rent increases as a result.

Recognizing the need to improve present substandard public housing while simultaneously encouraging the development of mixed income housing, the Massachusetts Legislature passed a bill in 1973 which provided the mechanism for the transformation of a substandard public housing development into a mixed income development financed by the Massachusetts Housing Finance Agency. America Park, in Lynn is currently being converted into an economically integrated development, the first of its kind nationally. This project also represents the first time that low income tenants have been statutorily mandated to participate in the conversion process. An orientation program for tenants has been developed and a Housing Specialist has been assigned to the task of facilitating the conversion process while acting as a liaison to the Housing Authority, the local welfare office, and other community agencies.

New state legislation in 1974 authorized, under the Donated Funds Program, a new service category for tenants in publicly assisted housing. In defining the services to be provided under this category, efforts have been made to encourage innovative approaches which address the needs of the housing development community including tenant involvement and cooperation between management and tenants.

Section K - Interstate Compact

The Interstate Compact is a formalized agreement between states to monitor the interstate placement of children. The primary goal of the Compact is to maintain uniform procedures from one state to another. Thirty states belong to this Compact, although the Department receives requests from every state in the country to place children into foster care, adoption, or child care institutions.

For the first time a national meeting of all states who have joined the Compact was held in Denver, Colorado. More states were encouraged to join the compact.

Home studies for other agencies, was a frequent request. The Department responded to 115 such requests through the Compact this past year.

Section L - Policies and Procedures Unit

During Fiscal Year 1974, a Policies and Procedures Unit within the Office of Social Services was established to:

- review existing policies and procedures to determine their relevance;
- recommend to the Assistant Commissioner for Social Services that certain materials be updated to correspond to the current social service system;
- Coordinate the development of new policy and procedures for the social services program, including the drafting of such materials, when appropriate;

- ensure that all new or revised policy and procedural material is reviewed by the Department's Policies and Procedures Unit.

During the past year, the Unit focused on the development of separate policy and procedures manuals for social services that will govern the operation of the social services program under the newly-separated system. During the coming year, attention will be directed toward the revision of the existing Child Welfare Policy Manual so that this material can be up-dated and brought into conformity with new state laws and recommendations, (such as those coming from the Project to Reform Foster Care and Adoption) that suggest methods of improving the delivery of social services.

Section M - Project to Reform Foster Care and Adoption

During the past fiscal year, the Department acted on the specific recommendations contained in the Report of the Governor's Commission on Adoption and Foster Care.

In cooperation with the Office for Children, the Steering Committee for this project, the Human Services network and the Governor's Office, the Department received \$500,000 to begin to provide preventive tools - such as day care, homemaker services, family counseling and others - to families in order to prevent the surrender of a child into foster home care. Toward this end, the Department has expanded preventive services through purchase of service agreements with private agencies throughout the State.

The Department, in cooperation with the Steering Committee, has decided not to change the process for removing a child from his natural home, but as an alternative, to evaluate the plan for the family and child every six (6) months. If determined by the Child Welfare personnel, in consultation with the Department's legal staff, that a more permanent plan is indicated, removal proceedings will commence. The Department reviewed long-term foster care placements and reported in February that long-term foster care is a viable alternative to adoption or return to natural parents for some children.

The Department is using the Early Periodic Screening - Diagnosis and Treatment (EPSDT) approach as a minimum standard for primary pediatric care for children about to enter or recently entering foster care. Currently, the Department has contracted with one hundred and thirty (130) providers to deliver EPSDT services to all medical Assistance eligible children. The Department is in agreement with the new licensing regulations which specifically provide that foster parents be authorized to arrange routine medical care identified in a foster child's treatment plan, and to obtain emergency medical care when necessary.

The Department has instituted in all regions Pre-Service Educational Sessions for foster parents. They will be fully operational and mandatory by September 1, 1974. This is a first step in initiating educational programs for foster parents. The Central Office Homefinding Unit is working with all Associate Regional Administrators for Social Services in order to establish educational sessions for new and experienced foster parents using community educational resources.

The Department has developed criteria for selecting specialized foster parents able to administer designated treatment procedures prescribed for "a special needs child". Such children exhibit certain disabilities which preclude care or treatment in their own home or in a foster home without the provision of specialized services. The special needs definition also applies to children whose characteristics inhibit normal placement in foster homes.

The Department is currently negotiating to receive a Foundation Grant to establish a child care information and cost allocation system to satisfy this specific recommendation. The Department has reviewed all the children in care in the Regions, the Group Care Unit and the Adoption Unit. This includes cases of children identified as uncovered by the Commission Report. The Department expects to utilize revised social service forms, as well as the foster care information system, for comprehensive review and monitoring. This will enable us to meet the current needs and projected needs of children in care.

Section N - Protective Services

The Protective Service Units have been subject to tremendous change as a result of the enactment of Chapter 1076, an act providing protective services to children who have been injured, abused or neglected. The legislation constitutes a new statutory method for reporting and managing cases of child abuse and neglect.

The legislation expanded the categories of professionals required to report, and broadened the definition of abuse and neglect. Professionals mandated to report such cases now include not only physicians, social workers, and school officials required under the original law, but in addition, medical interns, medical examiners, dentists, nurses, public and private school teachers, educational administrators, guidance and family counselors, probation officers, and policemen.

The definition of child abuse and neglect, once limited to serious physical injury, abuse or maltreatment inflicted by other than accidental means, now also includes emotional injury, including sexual abuse, malnutrition or physical dependency upon an addictive drug at birth.

Specialized units have been developed in each region to respond to the demands imposed by law. Two new areas of responsibility require the Department to investigate and evaluate all reports of suspected abuse and neglect, and to create a Central Registry to incorporate all referrals.

Since February case reports to the Department have doubled without the provision of increased staff. As a result, more purchase of service contracts were signed to service the increased caseload. A significant contract was signed with Children's Protective Services to screen neglect referrals.

Each of the regional protective service units have been educating professionals and the general public regarding the new law. Staff from these units consult with community organizations and agencies, hospitals and institutions both informally and increasingly more formally by membership to committees, groups, and treatment teams.

Section O - Volunteer Program

The Volunteer Program has consolidated and strengthened many existing programs while expanding and developing new ones. New areas of service have extended to Medical Assistance, where volunteers have been used as ombudsmen for clients in nursing home facilities or in research positions to compile laboratory information.

Efforts to educate the public regarding the hazards to lead paint continue as a priority. In November of 1973, the Department sponsored a conference on Childhood Lead Poisoning. A Department volunteer who contributed extensively to this program, has been appointed to the Governor's Commission on Lead Paint.

Protective Services is another area of continued activity. The Inflicted Injury Unit at James Street continues to utilize volunteers to serve in the Day Care Center. The Department, helped organize a statewide symposium on child abuse and neglect, generated publicity for the symposium, and helped develop informational materials.

Other volunteer efforts included out-reach services to the elderly in the Framingham, Revere, and Springfield communities. Home visits were made to the elderly to ensure that appropriate services were being provided. Another community volunteer was able to secure year round rentals to keep public welfare clients on Cape Cod out of motels, a savings to the Department of \$20,000 to \$30,000.

Section P - Spanish Program

During FY'74 program objectives of the Spanish Program remained basically unchanged, although activities of the Unit were constantly influenced and shaped by the specific needs of the Department and Hispanic Community.

This year the Spanish Program was extensively involved in the expansion of the Food Stamp Program. The unit provided the Food Stamp Program staff with information regarding numbers of Spanish-speaking applicants, numbers of other Hispanics in each Community, names and contact persons in all Spanish community agencies, translation of all material relating to the Program and assisting in the training of community agencies' staff, public relations work via T.V., Radio and the Press, urging participation and support for the program.

To effect a better understanding of the Hispanic Community, the Program continued to offer Spanish language and culture classed to Welfare personnel. This has been one of the most successful programs to date; other State and Federal agencies have inquired as to how they could participate in these classes which they find are most urgently needed.

Although the classes still only includes students from the Boston Region and the Greater Boston Regions, negotiations are now being conducted to expand this service to the Lawrence Region.

Program functions inside the Department were as varied as the different units within it. Inquiries and Referrals, Public Information, Assistance Payments, Statistics, Policies and Procedures, Quality Control, Social Services and the Medical Division all utilized the resources of the unit for consultations, translations, community liaisons work, research, statistics, etc.

The Spanish Program continues to work directly with the many agencies throughout the state that address themselves specifically to the Hispanic Community to bring about a better understanding of the Welfare Department and develop better working relationships. Program staff assisted several agencies in obtaining funding from available sources, in order to strengthen community groups which serve welfare clientele.

It is anticipated that the next year will see an expansion of this program both throughout the state and in services, so that it can have an even greater impact on the community and the problems which the Department will need to resolve.

Section Q - Purchase of Service Unit

During this fiscal year the Social Service Administrative Unit, the Day Care Unit and the Donated Funds Unit were integrated to form the Purchase of Service Unit. Within the office of Social Services, the Purchase of Service Unit's specific responsibilities include the development of an overall plan for the purchase of service, assessment of the Department's need to purchase any particular service, development of donation agreements, evaluation of request for proposals (RFP's), development of contracts, monitoring (fiscal) and evaluation (program) of contracts, and preparation of material for federal claims.

The Unit carries out these responsibilities through two components, Agreements Development and Purchase Control. Agreements Development staff is responsible for reviewing the eligibility of new or expanded social service programs which are reimbursed by the federal government. The functions of this component also include the solicitation of proposals, negotiations of purchase of service agreements and evaluation of the quality of services delivered. These activities are coordinated with regional and local staff to determine the service needs for future contracts, informing staff of the availability of resources through current contracts, and promoting utilization of these resources. Regional and local staff are also involved in the qualitative evaluation of services provided.

Purchase Control staff is responsible for giving technical assistance to public and private agencies to insure that all authorized expenditures for eligible clients are documented and that quarterly claims are filed with HEW for federal reimbursement. This component's responsibilities also include monitoring for contract compliance, fiscal documentation, and auditing to ensure fiscal and programming accountability.

Information gathered by all staff is used for the statewide assessment of client needs for particular services and the determination, based on monitoring and evaluation, of the types and scope of services to be utilized for further contract recommendations.

The majority of services provided through contract agreements with private and public agencies, and other state agencies are funded 75% by the federal government and 25% by the state. Services provided under Donated Funds contracts differ from other purchased services in that no state money is expended. Instead, 25% of the cost is donated by private agencies and the other 75% of the cost is provided by the federal government. Every donated dollar is matched with 3 federal dollars.

PART V

THE FOOD PROGRAMS

Section A - The Commodity Distribution Program

The Commodity Distribution Program provides surplus foods donated by the U.S. Department of Agriculture to needy families that qualify. The State Department of Education is the primary distribution agency for surplus food in the Commonwealth, and the Department of Public Welfare acts as a sub-distributing agency.

During fiscal year 1974, the Department made the commodities available to 300,000 persons per month in 324 communities in Massachusetts.

Commodities were distributed through 36 warehouses located throughout the Commonwealth, rented by the Department and open five days a week. In addition, 111 satellite distribution centers were used from one to three days each month.

In accordance with Federal legislation, the Commodity Distribution Program was terminated on June 30, 1974 and replaced by a statewide Food Stamp Program.

Section B - The Food Stamp Program

The Food Stamp Program provides that needy households may buy foods in retail stores with coupons that have greater purchasing power than the cash sum for which they were purchased. The coupons are purchased at banks which elect to participate and are usable in stores authorized by the U.S. Department of Agriculture.

In fiscal year 1974, the Food Stamp Program operated in the Commonwealth on a limited basis in 37 communities, and served 29,000 households. Areas participating in the program were:

Barnstable County (15 towns)
Chelsea
Dracut
Dukes County (7 Towns)
Everett
Medford
Melrose
Nantucket
Norwood (including 6 surrounding towns)
Taunton
Wareham

Persons receiving public assistance are automatically eligible for the Food Stamp Program, as are other families whose income does not exceed prescribed limits and who live in a participating community. Until this year the income standards for eligibility for the Food Stamp Program were identical to those used in the Commodity Distribution Program. On April 1, 1973, the U.S. Department of Agriculture defined new income standards to be used in the Food Stamp Program. These standards were again raised effective July 1, 1974.

The new income limitations are as follows:

<u>Number of Persons in Household</u>	<u>Net Monthly Income Limit</u>	<u>Maximum Resources</u>
1	\$194.00	\$1,500
2	273.00	1,500
3	393.00	1,500
4	500.00	1,500
5	593.00	1,500
6	680.00	1,500
7	767.00	1,500
8	853.00	1,500
9	926.00	1,500
10	999.00	1,500

For larger households, add \$73.00 for each person in the household in excess of 10.

Maximum Allowable Resources

The maximum allowable resources - including both liquid and non-liquid assets - of all members of each household cannot exceed \$1,500.00 for each household, except for households of two or more persons with a member age 60 or over, whose resources cannot exceed \$3,000.00.

All families of the same size receive the same value of food coupons, but the cash amount paid to purchase the coupons varies according to income.

Stamps may be purchased twice monthly, and participants have the option to purchase one quarter, one half, three quarters or all of their allotment.

Federal legislation had mandated that by July 1, 1974 all States have a statewide Food Stamp Program. The Department during May and June began taking applications for the Program in order to make it available to as many persons as possible on July 1, 1974.

PART VI

THE CHILD SUPPORT ENFORCEMENT UNIT

FISCAL '74 - A YEAR OF PROGRESS

A review of operations for Fiscal '74 illustrates the continuing progress of the Child Support Enforcement Unit. The year was marked not only by an increase in support collections, but also by the development of more sophisticated strategies and methods of operation. The Unit became involved in judicial conferences, participated in Federal workshops and received favorable publicity in the local press. All of these factors have aided in the maturing process and give hope for a brighter future.

Support Actions - Increased Support Receipts

There was a total of 12,292 child support actions in FY'74 initiated and carried out by staff members of the unit. These actions are district court non-support complaints, probate court contempt petitions, uniform reciprocal cases, voluntary court arrangements, voluntary agreements and fraud referrals. Also due to child support investigations 2,219 cases were closed with a projected one year cash value of \$6.8 million.

Approximately 24,000 absent fathers contributed \$18.6 million to the support of their AFDC children during FY'74 representing a 60% increase in collections since FY 1970.

Federal Involvement

A Federal Workshop on Paternity and Support Provisions in AFDC, including representatives from the six New England States, took place on April 2 and 3, 1974. It provided an opportunity for the States to exchange ideas on policies and procedures in the area of Child Support. The Massachusetts Child Support Unit Director and the supervisory staff assisted members of the H.E.W. staff in planning the program and were active participants, obtaining the First Judge of Suffolk Probate Court as the principal speaker.

Two staff members of the Washington H.E.W. Office of the Division of State Systems Management spent a week in Massachusetts in April gathering information on the operations of the Child Support Enforcement Unit in order to prepare a guide document "How They Do It In Massachusetts." A study was also done on the enforcement of AFDC Child Support in the State of Washington. The material from both States will be combined in one Publication "How They Do It" and will be made available to other States this fall.

The Arthur Young Company of Washington, D.C., Professional Consultants, in conjunction with H.E.W., will conduct a three week study of the strategy and cost effectiveness of the Unit in September.

New Emphasis on Preventive Work

A pilot program involving the Child Support Unit (Brockton Region) and the Chief Justice of the Probate Courts was instituted in the Dedham Probate Court last September. CSEU staff were informed of pending divorces and legal separations concerning AFDC recipients and were in attendance at these hearings and supplied with factual information on the cases. In a three month period there were 162 cases involving AFDC recipients. Total support payments of \$4,844 were collected and 37 cases were closed due to court orders exceeding budgetary needs or fraudulent claims. Additional cases were referred for IRS processing, Uniform Reciprocal Action or Contempt Proceedings. A projected yearly cash value on the cases closed is \$38,916. This preventive action program has been extended to the Taunton Probate Court. Further involvement with other probate courts will require additional staff.

The new Probate Court Rule 49 which requires that a financial statement be filed by both parties to a divorce or legal separation is proving to be an effective instrument for judges to use in the arrival of an equitable support order figure. Information on these financial statements is not available for public inspection but is available to court personnel and to "employees of the Massachusetts Department of Public Welfare."

Internal Revenue Service Files as a Primary Locator Service

During FY'73, the CSEU made extensive use of Internal Revenue Service files to locate absent parents of AFDC children.

Natural statistics show that for the period of April, 1973 through May, 1974, the Internal Revenue Service processed 4,912 referrals from Massachusetts, with 3,675 inquiries matched to an address. Massachusetts ranks fifth in the nation in the total number of actions processed by the IRS.

Subsequent to receiving address confirmation from the IRS, follow-up support action is determined. In most cases, a screening letter is sent to the absent parent, and action is based on the response or lack of response to the letter. In the case of some joint-filings, forgery or collusion is evidenced. In the case of many out-of-state addresses, Uniform Reciprocal Actions are initiated in the district court where the recipient resides. To date, IRS run-offs have informed the Unit of the death of four long missing absent fathers, whose families then became eligible for Social Security Survivors benefits.

New Locator Resource

The Division of Employment Security is now running a monthly computer check of absent fathers who may be receiving unemployment compensation. DSS provides the Department with a current address, the total amount of monthly payments, date of the last check issued, and a list of dependents.

Conclusion:

In summary, FY'74 was a year of progress. Support receipts increased, new locator mechanisms were developed, favorable publicity was generated, and upgradings were obtained for Court Social Workers, New Title, Child Support Enforcement workers, and Regional Child Support Coordinators (formerly called field representatives).

However, lack of personnel, a Department wide problem, and the continuing attraction of better paying jobs, resulted in a very real loss of revenue. Areas of the State not covered adequately by the Unit represent a loss to the Department in concrete terms. The CSEU has demonstrated its ability to enforce the legal obligations of responsible AFDC parents, given adequate tools.

The budget for FY'75 includes the addition of 19 Child Support Enforcement workers, 1 Regional Child Support Coordinator, and 21 Social Service Administrative Technicians.

It is anticipated that, with the addition of this personnel in November, 1974 higher standards for the Unit can be set and achieved with the continued cooperation of all those concerned with the image and accomplishments of the Department of Public Welfare.

PART VII

SEPARATION

The term "separation" refers to a reorganization of the Department's present operational structure into two separate systems, one for the administration and delivery of all Social Service Programs and one for the administration and delivery of all Assistance Payments Programs. The U.S. Department of Health, Education and Welfare mandated all State Welfare Agencies to "separate" these services, and develop guidelines governing the Separation process.

For purposes of implementing Separation a project structure, within the Office of the Commissioner, was developed. This structure, termed "The State Service Reform Project" was responsible for the coordination of five task teams focused on planning in the following areas:

1. Assistance Payments System
2. Goal Oriented Social Service System
3. Program and Financial Planning
4. Purchase of Service
5. Separation - Planning & Implementation

The planning phase of Separation was completed early in FY'74, pending the finalization of negotiations with the Massachusetts Social Workers Guild concerning those articles of the contract effected by Separation. During late FY'73 an impasse had been reached in the negotiations, and the Department had entered into a process of mediation with a third party arbitrator. When no agreement was reached through mediation, labor and management entered into a fact-finding process which was completed on November 27, 1973 with the receipt of the fact finders report. Further negotiations were then initiated, which culminated in the signing of a new contract on March 15, 1974.

With the signing of the contract, the Department moved to finalize all Separation planning and implement Separation in line with the new contract. On March 19th, a letter from Commissioner Steven A. Minter was sent to all staff informing them of the Department's plan to separate.

During the week of March 18, 1974, orientation on Separation and the new systems was provided to all staff. In April 1974, the Department began the task of selecting and assigning staff for the new systems. Based on contractual agreements, all staff wishing assignment to Social Services were required to participate in a written examination administered by the Department in mid April 1974. The tests were mechanically corrected and staff notified of their scores in early May 1974.

An appeals process was then initiated for all staff who felt there was an error in the correction or computation of their score. By mid June 1974 all appeal decisions were rendered and the Department began the task of assigning regional staff to the new Social Service system, based on the employee's score and rank.

At the close of FY'74,

- . staff assignments were in process and scheduled for completion by 2nd week in July FY'75.
- . planning for the training of all staff in the new systems was completed and scheduled for July and August FY'75.
- . planning for the development of new Social Service policy and procedure manuals was completed. Public hearings on the new policy were scheduled for August FY'75 and distribution of the manuals was scheduled for late August FY'75.
- . planning for a program of community education to inform clients, foster parents, community agencies, legislators and the general public of Separation was completed and scheduled for August and September FY'75.
- . planning for the installation of the new systems was being finalized and installation of Separation on a statewide basis was scheduled for September 5th FY'75.

The "separated" Social Service system is based on a goal oriented and time limited approach for the delivery of Social Services. The model for this system incorporates four basic functions:

- . Information and Referral:
to provide information on community resources and referral to these resources when appropriate
- . Resource Mobilization:
to provide for the identification of needed resources and to assist in mobilizing community efforts in developing said resources.
- . Generalist Services:
to provide general Social Services to eligible persons and to provide protective services to families and children when indicated
- . Specialist Services:
to provide some speciality services, such as, WIN, MCR, Adoption services, Housing.

This new system will be administered through thirty-eight Community Service Area Offices throughout the State. In addition, selective Social Services will be provided through some Welfare Service Offices.

The Plans for the Assistance Payments system were completed in March FY'74. The model for the Assistance Payments calls for uniformity and standardization in all policies, procedures and forms. Assistance Payments staff will be located in all the Welfare Service Offices presently in operation.

The Department expects with the completion of Separation to be able to respond to the community's needs in a more efficient and effective manner, both in Assistance Payments and in Social Services. In addition, Separation will provide the base for the development of more sophisticated accountability systems within both programs.

PART VIII

LEGISLATION

Section A - Federal

Considerable attention was devoted to welfare-related issues in Congress during FY 1974. The major focus was placed on new social services legislation -- which won passage only in the Senate -- and important measures affecting the Food Stamp and Supplemental Security Income Program, which were endorsed by both branches.

Social Services

The year began with Congress imposing a moratorium on the implementation of new social services regulations proposed by the Department of Health, Education and Welfare. The moratorium was designed to allow Congress time to develop new legislation in the field of social services.

After months of negotiation involving HEW, State representatives and a coalition of interested parties that included mental health groups, organized labor, the United Way, Child Welfare League of America, etc., the Senate in November 1973 passed the Social Services Amendments as part of HR3153. The Amendments called for a revenue sharing approach to social services, within a nation wide \$1.9 billion ceiling on expenditures. States would be free to set their own eligibility standards and to define the scope of their program, but the amendments spelled out 24 services that could be provided, and allowed for optional services.

The Senate-passed bill was never conferenced with the House, and in December both houses of Congress approved an extension of the moratorium on the social services regulations until December 31, 1974. In April, HEW began circulating drafts of a new social services legislative proposal. This piece represents a radically new approach to social services administration as it has been known. Within a \$2.5 billion national ceiling, the States would have the latitude to develop their social services program without a requirement for HEW approval. The Governors are charged with designating an individual or agency within each State to supervise the program, in lieu of the single State agency concept. The proposal contains suggested social service goals but allows the States to determine the types of service that would meet those goals. As FY 1974 drew to a close, Congress had not yet resolved the form that new social services legislation would ultimately take.

In addition to the social services amendments, in HR3153, the Senate passed dozens of provisions making changes in the SSI, AFDC and Medical Assistance Programs.

Food Stamps

In August of 1973 the Congress passed legislation to mandate a nationwide Food Stamp Program and terminate the Commodity Distribution Program on July 1, 1974.

This law had a particularly serious impact on the Commonwealth of Massachusetts, because its Commodity Distribution Program was one of the nation's largest, and the Food Stamp Program was operating in only 37 of the State's 351 cities and towns when the law (PL93-86) was passed.

The same law contained a provision allowing recipients of the new Supplemental Security Income benefits to be eligible for food Stamps, based on an individual eligibility determination according to a highly complex formula. This action represented a revision of the original law creating the SSI program, which specifically prohibited SSI beneficiaries from participating in the Food Stamp Program.

It quickly became obvious that the formula contained in PL93-86 would be impossible to administer, and the Congress in December 1973 enacted a provision making all SSI recipients automatically eligible for food stamps for a six-month period from January to June 1974, except in those States which had "cashed out" the bonus value of food stamps. Massachusetts and four other States had elected to "cash out." (In June 1974 this provision was extended for an additional 12 months until July 1, 1975.)

Congress also approved legislation to increase significantly the Federal share of expenditures in the administration of the Food Stamp Program. The new law sets the Federal Share of administrative costs at 50 percent, in contrast to the previous law providing for 62.5 percent Federal share for only selected administrative costs. The overall effect will be to increase Federal reimbursement to the States from 28 percent to 50 percent of all administrative costs in the program. Commissioner Minter testified before the Senate and House Agriculture Committees on behalf of welfare administrators throughout the country in support of this legislation.

Supplemental Security Income

Several amendments to the SSI Program were adopted by Congress, including:

- an interim payment provision which authorized Federal-State agreements under which States will in the future be reimbursed directly by the Social Security Administration for emergency assistance provided to applicants while a determination on their SSI eligibility was pending.
- a cost-of-living provision which requires a percentage increase in SSI benefit levels concurrent with any cost-of-living adjustment in the OASDI program.
- a provision relating to cost sharing in Medical Assistance which would give the States the option of imposing premiums on the medically needy; previously States were mandated to require such premiums.

Section B - State

1973 Session

The last part of the 1973 legislative session saw the enactment of two bills of far-reaching significance with regard to child welfare.

The first, Chapter 1073, relates to the provision of care and services for certain children. By decriminalizing certain juvenile offenses, this law stipulates that children formerly referred to as runaways, "stubborn child," or truant are now to be dealt with in the community. The law intended that responsibility for the care of these children be shared by the courts, the counties, and the Department. However, due to the lack of funding to the courts and counties for this purpose, the Department has been the only viable alternative for these "children in need of service." This has resulted in a doubling of the number of children referred to Division of Family and Childrens services since the law took effect in early 1974. Further, since the Department is now handling children who would formerly have been referred to the Department of Youth Services, there has been a significant change in the kind of services which the Department must provide to meet their needs.

Chapter 1076, which became effective on February 19, 1974, is an act providing protective services for certain children who have been injured, abused, or neglected. This statute mandates reporting by a wider range of medical, social service, court, and school personnel than the former statute. It also broadens and specifies the definition of "abuse" by requiring reporting of serious physical or emotional injury resulting from sexual abuse, neglect, malnutrition of physical dependancy upon an addicting drug at birth. This chapter further established a formal reporting procedure which requires immediate oral reports. Also specified are the reporting responsibilities between an agency and its staff and the types of information required to contained in the report. Under Chapter 1076 the expanded responsibilities of the Department include:

1. investigation and evaluation or reported cases
2. evaluation of the household to determine the risk of hamr to other children
3. taking temporary custody of the child if necessary
4. offering appropriate social services or taking court action
5. filing identifying information in the central registry
6. utilization or purchase of protective services of other agencies
7. promulgation of regulations

In addition, this law requires that the Department maintain a central registry of information sufficient to identify reported children. This information is confidential and available only with the Commissioner's approval or a court order.

The 1973 session also saw the passage of an assistance payments statute (Chapter 1210) of major importance related to the passage by the United States Congress of Public Law 92-603, a law which federalized the adult categorical assistance programs by creating the Supplemental Security Income Program for the aged, blind, and disabled. This federal program provided, effective January 1, 1974, \$130 monthly to an individual without income and \$195 per month to a couple in the first six months. After July, the payments increased to \$140 for an individual and \$215 for a couple. These payments, which are administered by the Social Security Administration, are clearly below the standard of need in Massachusetts. Therefore, in order to supplement these federal payments, the General Court enacted Chapter 1210 of the Acts of 1973. This act provides for the Department to establish standard levels of state supplementary payments which may vary by category (aged, blind, and disabled), marital status, and living arrangement. Under this plan an elderly person with no income living alone or with dependents in his own home receives a total (state plus federal) payment of \$223.50 per month, and similarly situation couples receive at least \$340.30 monthly. Disabled individuals in the same circumstances receive \$214.90 monthly, while a disabled couple in a comparable living situation receives \$327.40 each month. In effect this means that Massachusetts says the difference between the federal payment, \$130.00, for instance, and the total payment, \$223.50; for an aged individual this means \$93.50 in state dollars.

In addition to the basic supplementation plan, Chapter 1210 provides for an automatic cost-of-living increase plus such additional increase as is recommended by the Department and appropriated by the General Court, both to be effective July 1. The goal is to reach a total income level equal to the Bureau of Labor Statistics Intermediate Standard Budget. Further, Chapter 1210 provided for a 10% increase in the level of the combined federal and state supplementary payments effective March 1, 1974. Since the federal government makes no provision for any cost-of-living increase, Massachusetts and the few other states who have enacted similar plans must bear the total financial responsibility for such increases. Thus Chapter 1210 represents a significant commitment on the part of the Commonwealth to provide an adequate income for its aged, blind, and disabled citizens.

1974 Session

During the 1974 legislative session, which lasted from January through July, the General Court enacted several bills of major importance to the Department.

Among these were two pieces of legislation filed by the Department. Both relate to the improved administration and organization of this agency. The first, Chapter 752, contains provisions pertaining to:

1. the exclusion of Deputy and Assistant Commissioners from the requirements of Civil Service,
2. the placement of the Division of Hearings within the Office of the Deputy Commissioner and making the decision of the referee the decision of the Department in GR and AFDC appeals cases,
3. the power of the Commissioner to delegate his authority in disciplinary hearings, and
4. the change in the term "Community Service Center" to "Community Service Area" and the related establishment of Community Service area Boards.

Chapter 787, the Department's second major legislative piece, removes a child's financial responsibility for his indigent parents and specifies the procedure to be followed in Medical Assistance appeals cases.

Other legislative proposals enacted during this session include:

- Chapter 407, which gives the Department the statutory authority and responsibility to forward all payments to AFDC recipients to a checking account if so requested by a recipient.
- Repeal of the existing law which prohibited the advancement of appropriated funds to the Department for payment to medical providers.
- Provisions for a temporary shelter care program with licensing standards established by the Office for Children. This law specifies that after an initial seventy-two hour period the Department will have financial responsibility for those youths referred to its custody.
- Passage of an annual automatic cost-of-living increase for recipients of GR, AFDC, and Veterans' benefits, based upon the percentage increase in the Consumer Price Index. This law will become effective July 1, 1975, subject to appropriation by the General Court.

FY 1975 Budget

The fiscal year 1975 budget was approved by the General Court and signed by the Governor on June 28, 1974. Governor Sargent requested \$1,059,165,730 while the total amount finally appropriated was \$1,017,151,763. The Department gained 138 new positions but ended up with a net of 14 positions fewer than in FY 1974. Included in this budget for the first time were a new line item creating the statewide Food Stamp Program, a separate appropriation for the Child Support Enforcement Unit, and a new salary account for the Protective Services Unit. Consolidation of Welfare Service Offices, which has been prohibited in recent years, will now be allowed to continue with the approval of the Ways and Means Committees of both the House and the Senate. Overall, it is felt that the Department fared well in FY 1975 budget actions.

PART IX

THE SUPPLEMENTAL SECURITY INCOME PROGRAM

On January 1, 1974 the Department of Public Welfare became involved in a State-Federal partnership in which the categories of Old Age Assistance and Disability Assistance were converted into the new Supplemental Security Income Program (SSI) handled by the Social Security Administration. The SSI program was intended by the Congress to replace the adult assistance programs which existed prior to 1974 and has established the first Federal system of direct income maintenance payments to aged, blind, and disabled persons at a stipulated, national minimum income level. In reality, however, the SSI program has not, and probably never will completely replace or federalize the complex structure of financial assistance and related services which have been developed and delivered by the states for so many years prior to January 1, 1974.

SSI Benefits

The income levels that the Federal program guaranteed to eligible individuals were, beginning January 1, \$140.00 for a single individual and \$210.00 for a married couple. On July 1, 1974, the levels were increased to \$146.00 for a single individual and \$219.00 for a married couple. Not counted in determining the SSI amount is the first \$20.00 a month of any kind of income, whether earned or unearned. Further, there is an additional disregard for earnings; \$65.00 per month plus one-half the monthly earnings above the \$65.00. There are also additional disregards for special kinds of income such as foster care, educational grants, or funds necessary to plans for self-support. Because of the disregards, the SSI program enables aged, blind, and disabled persons to have combined income (SSI plus earned or unearned income) much above the Federal floor of \$146.00 per month, and because the majority of SSI eligibles (currently over 60% and climbing) also receive Social Security benefits, the SSI program guarantees most recipients combined income for at least \$166.00.

Resources

There is also a nation-wide standard governing the amount of resources other than income a person may have and be eligible for SSI.

Lien Law and Relative Responsibility

The SSI program does not require and will not permit liens on the homes or other property of eligible individuals nor would the program require that recipients receive support from their relatives.

Standardized Treatment of All Recipients

The new SSI program is not a program to meet specific recipient needs, even if they are the result of some individual peril. It does not purport to take care of emergencies; it is not designed to deal instantaneously with special requirements nor does it provide additional sums above the recipients' regular entitlements. The program merely guarantees recipients a minimum dollar amount each month which would only vary in response to reported changes in the flow of other income.

The only exception in providing emergency needs is:

1. A money advance no greater than \$100.00 to applicants who require immediate funds.
2. An applicant whose claim of eligibility is based on a disability, and a decision of presumptive eligibility has been made by the SSA to speed up the regular payment process.
3. One-time payments to SSI eligibles when the regular system fails to generate a payment.

Mandatory State Supplementation of SSI Payments

Congress enacted provisions making State supplementation to recipients on State OAA, DA and AB rolls in December, 1973 who were converted to the SSI program. To assure that these recipients did not receive reduced payments as a result of the new Federal program, the law required States to ensure that these recipients continue to have at least the same amount of income they had in December. This amount is known as the mandatory minimum income level--- the combined total of cash assistance plus all other income received in December 1973.

Optional State Supplementation of SSI Payments

The Massachusetts State supplementation plan is geared to five different living arrangements:

1. Full cost of living arrangements
2. Shared living expenses
3. Living in household of another
4. Boarding in a commercial boarding house
5. Domiciliary care (licensed rest home).

The payment levels associated with each of these categories exceeds the average payment (including an averaging of special needs) newly eligible individuals in comparable living arrangements would have received had they been eligible or applied for assistance in December 1973. The payment in effect on July 1, 1974 for each category and living arrangement is contained in Table 1.

Administration of State Supplementation

There are two major financial advantages that accrue to the States under Federal administration of State supplementation. First the Federal government pays 100% of the administrative costs of making State supplementary payments. Also under Federal administration State fiscal liability is, with certain exceptions, limited to the State's share of expenditures for aged, blind, and disabled cash assistance payments in calendar year 1972. However, in Massachusetts the payment standards which were established exceed the level by which we would have been fully protected against increased State costs.

Massachusetts Law: Major Provisions of Chapter 1210

The laws pertaining to State assistance to the elderly, blind, and disabled are contained in Chapter 1210 of the Massachusetts Acts and Resolves of 1973 which sets forth the kinds and extent of assistance for SSI eligibles effective on January 1, 1974. Chapter 1210 provides for:

- The State supplementation program described above;
- An annual cost-of-living increase;
- Automatic medical assistance eligibility for all recipients of SSI or State supplementary payments;
- A program of Social Services, including information and referral, employment services, legal services, housing improvement, special services for mentally retarded, homemaker and chore services, foster care and home delivered and congregate meals. Referral procedures for social services exist between the SSA and DPW and the Commission for the Blind.
- Emergency assistance in cases of fire, flood, or other natural disasters;

Eligibility for MA commences on the first day of SSI eligibility, although certain medical expenses incurred during the three months immediately prior to the month of SSI application may also be covered.

Elderly, blind and disabled persons who are ineligible for the SSI program for financial reasons or who have not yet been officially notified of their eligibility, but who require medical services may also be eligible for assistance. These individuals must apply directly with the State by contacting the Commission for the Blind or a local Welfare Service Office.

PART X

THE PROJECT MANAGEMENT OFFICE

In fiscal year 1974, the Office of Project Management continued to make progress in the development of a statewide administrative system with clear lines of accountability and consistent procedures. A key to the management improvements the Department has made is the Financial Management Control System, which includes a Recipient Payment System and a Vendor Payment System. These systems are designed to assure efficient, equitable and accurate service to both recipients and providers.

1. The Recipient Payment System

At the end of August, 1972, the Department developed a Recipient Master File which provided for a central computerized system for the payment and distribution of payments to welfare recipients. During fiscal year 1974 the centralized recipient eligibility file was expanded to include the General Relief and Food Stamp Programs. The use of this file enabled the Commonwealth to be a national leader in Food Stamp Issuance. Furthermore, this central eligibility file was used in fiscal year 1974 for the automatic processing of cost-of-living increases for the Old Age Assistance and Disability Assistance recipients, and as a basis for the orderly conversion of these programs to the Social Security Administration's Supplemental Security Income Program.

2. The Vendor Payment System

The centralized recipient eligibility file was further used as a base in developing a computerized system for the payment of Medicaid Vendor invoices for medical services provided to welfare recipients. In addition to controlled issuance of Medicaid eligibility cards, instituted in fiscal year 1973, the Department now has the following controls that it did not have before: control over the total payments made to each vendor which enables the Department to file an annual report with the Federal and State authorities to encourage the vendor to accurately report income on his tax return; control over clerical errors previously made by the Department personnel in the manual processing of over 10 million claims a year; control over duplicate payments made on behalf of a recipient to one or more vendors for the same medical service; control over the Medicaid Program by providing recipient and vendor profiles which will enable the Department to analyze recipient usage and vendor providing of medical services to determine abuses; and control over all payments made by speedy reconciliation of bank statements.

During fiscal year 1974, much improvement was made to the Vendor Payment System. All WSO's were removed from any processing responsibility for medical claims: The complete fee schedule will be installed on the computer early during fiscal year 1975, automating and controlling fees paid to all medical providers.

Quality Control

In November of 1973 the Department submitted an extensive Corrective Action Plan to the Department of Health, Education and Welfare. This Corrective Action Plan included a detailed analysis of the quality control findings which had been developed over the six month period, April - September 1973 and actions designed to improve upon that performance.

The actual error rates for the April - September, 1973 period were as follows:

<u>Error Rates</u>	<u>April - September, 1973</u> <u>Actual Error Rates</u>
Ineligibility	9.6%
Overpayment	29.8%
Underpayment	<u>13.6%</u>
Total Error Rate	53.0%

Subsequent to the submission of the Corrective Action Plan, for which the Department was commended by HEW, the Department entered into an intensive effort to implement a number of major changes affecting both policy and management/supervisory capacity.

1. Quality Assurance:

The Quality Assurance program is a monthly supervisory review of local welfare worker performance. It is based on desk reviews by local supervisors of sampled AFDC cases. Unlike the statewide Quality Control program which relies on complete field reviews, i.e., contacting collateral resources, verifying living arrangements, etc. Quality Assurance involves only an examination of information already available in each case folder.

Quality Assurance thus affords first-line supervisors a regular opportunity to identify particularized reasons for worker errors and a localized focus for determining how to reduce these errors. Quality Assurance becomes a primary means for checking and promoting consistent application of Department policies and procedures in the determination of both eligibility and grant amount.

2. Management Skills Training:

The Department implemented a "crash" program to train all the Department's local supervisors in management and problem-solving skills necessary on the supervisory level. Each supervisor received five full days of training over a four week period. The emphasis was placed on learning and applying methods to help correct situations where the Department's policies and procedures were not being proficiently carried out, or where the supervisor's workers were not otherwise performing properly.

3. Procedural Memoranda:

The Department is developing a series of procedural statements to describe for frontline staff the details and specific steps that needed to be taken to implement various aspects of the Department's policy as it relates to the AFDC program.

While procedural memoranda have not been used extensively during this fiscal year, it is anticipated that far greater use of this particular corrective action will be undertaken.

4. Development of an Executive Corrective Action Panel:

In March of 1973 the Department created a Quality Control Corrective Action Panel composed of executive staff in the central office.

The members of the panel include, in addition to the Commissioner, all members of the executive staff with responsibilities which relate directly or indirectly to Quality Control and Corrective Action.

The panel is responsible for reviewing the analysis of quality control findings and for establishment of such policy and procedures as seem warranted after analysis of alternatives.

The panel was instrumental in the development of the Corrective Action Plan and performed a major role in implementation and evaluation.

In addition to these actions aimed at improved management and supervision the Department also undertook several major changes in Department policy. These changes included:

a. Verification of Information

Under former federal guidelines verification of information from AFDC applicants and recipients was limited to a signed declaration. With the exception of wage stubs or pension check receipts, the Department required little, if any, information from applicants and recipients to verify the information listed on their declaration forms. Some information was verified by case workers during home visits; but such visits have unfortunately not been as regular or consistent as desired, particularly where redeterminations were concerned.

Federal rules were amended to provide that verification of all eligibility and grant amount elements be made a mandatory part of both the AFDC determination and redetermination processes. The Department has thus established policy to the effect that no AFDC applicant or recipient will be able to receive a grant until he provides a documentation to verify all information related to his eligibility or grant amount.

Implementation of the Department's new guidelines relative to verification began in August of 1973. The implementation procedures include a redesign of the forms by which application was made for assistance and instructions for appropriate verification.

b. Redetermination Procedures:

Recognizing the critical role of timely and accurate redeterminations in reducing ineligibility and overpayment errors, the Department has undertaken a major effort in this area.

The foundation of this program rests upon sound management practices involving the assignment of responsibility and maintaining accountability. This program will therefore provide a mechanism for clearly defining performance expectations as well as providing supervisory and management staff objective criteria against which performance can be measured.

c. Simplification and Consolidation of the AFDC Budget:

The present AFDC budget determination process can require as many as fourteen steps before it is possible to determine exactly what and how much an AFDC case is entitled to. For any one case, a case worker must consider:

- living arrangements
- family size
- ages of children
- other adults
- quarterly flat-grant amount
- special diets
- rental exceptions
- additional fuel and utilities charges
- insurance
- housekeeper
- training expenses
- day care
- initial needs
- hardships and emergency needs.

It is clear that the complexity of this system contributes to a number of factors influencing Quality Control findings. The large number of calculations, and the additional verifications required increase the probability of error.

During fiscal year 1974 the Department undertook extensive efforts to analyze the feasibility of a consolidated budget procedure and has worked closely with HEW in the development of appropriate methodology. Planning in this area is continuing at the close of fiscal year 1974.

While it is too early to assess the effectiveness of a number of these corrective actions and other corrective actions which were also unfamiliar, there is some evidence that they are beginning to have their effect. The Department has in the period January through July 1974 experienced a decline in the overpayment error rate as well as a decline in the underpayment error rate. Ineligibility continues to be a problem and efforts are being intensified in this area.

